

2021

Procurement Salary Guide and Insights

Key Trends and Findings

Foreword



As the latest insights are revealed about the profession, there have been some successes, but we must strive to become even better.

As old practices are challenged and new thinking embraced following the impacts of the pandemic, the search for talented professionals who can manage risk and resilience in their supply chains will surely intensify. Long and well-trodden global supply chains that were efficient even if complex, have been shaken to their core. But though many businesses closed their doors as a result of the pandemic, there were also success stories about capable professionals able to navigate through the ebbs and flows of disruption, and to find new opportunities for their organisations.

Boards and CEOs are sitting up and taking notice of these talented individuals. The report clearly shows that professionals with the right experience and capabilities will be sought out and rewarded, leading to varied and interesting careers for decades to come. It happened to me, and I can only confirm the great careers that are possible in our profession. As we emerge into a new post-pandemic landscape, the demands on procurement teams won't fade away, and professionals must continue to hone their skills, add to their knowledge and increase their capability to create the resilient supply chains of the future.

So what are these skills? The report once again highlights the need for soft skills. Technical skills and procurement qualifications remain important for individuals and their career progression. However, it is the soft skills of leadership and stakeholder management that deliver on business goals. This as a theme has

been consistent over recent years and will likely remain core in the next few years too. For example, businesses with strong relationships and supportive approaches for suppliers in difficulties were the 'customer of choice' when the tables were turned, and when the customer relied on the availability of essential supplies to sustain their organisation.

I firmly believe that an increased focus on ethical procurement is imperative. Great strides have been made to raise awareness around ethics in supply chains, but greater recognition of procurement's impact on local communities, or the elimination of slavery in supply chains, would address unpalatable situations that continue to exist. A simple re-focus on issues of real value to society today.

And it is straightforward. Professionals have a range of tools at their disposal to drive good procurement for societal good without the need to dispense with cost efficiencies or quality. The better use of data, for instance, or enhancing networks so supply chains are more diverse and innovative. However, it does take time and commitment to professional development to always live these principles, and it was good to see that those professionals with MCIPS were rewarded once again for their efforts and for raising the standard of professionalisation.

I hope that those of you reading this who are MCIPS will reflect on your journey, and on all of the dedication you have already shown in your learning and development,

However, I'd like to urge you to continue to take that development a little further each year and gain Chartered status if you haven't already done so. Gain your CPD points to demonstrate relevant skills and current knowledge, so conquering the disruptions of the past can be a learning journey towards more resilience in supply chains of the future.

The report is a fascinating read. I am sure you will gain some valuable insights to use for planning your own career or supporting the careers of individuals in your team. What is strongly evident is that the procurement and supply profession has gained even more credibility and respect as the world wakes up to how essential resilient supply chains are. Let us work together to strengthen them even further, addressing ethical and sustainability considerations, and continuing professional development.

Malcolm Harrison
Group CEO
Chartered Institute of
Procurement & Supply

Hiring for the Future



We are pleased to partner with CIPS for a seventh year to continue to provide insight into the key trends and issues impacting the procurement and supply chain profession.

The events of the past year have been momentous – altering the entire fabric of our professional and personal lives. Whether any of the changes we have witnessed are here to stay remains to be seen, but one thing the pandemic has done is to highlight the strategic significance of the procurement and supply chain functions, and the role they play in keeping vital services moving. Though the strain placed on global supply chains has been enormous, with disruption to manufacturing, freedom of movement and border control all posing significant challenges, procurement teams around the world have reacted with lightning-fast agility to help organisations mitigate the impact of the crisis.

Despite the widespread disruption, salary increases in procurement outstripped the national average this year and over half of professionals received a pay increase, a further indication of the value placed on the function by organisations. Gradual acclimatisation to the changes effected by

the pandemic and growing confidence in new approaches to problem solving are inspiring confidence and recovery in the market, leading to a positive hiring outlook for organisations, and in turn, inspiration to move roles by professionals.

Whilst it's hard to determine if the changes since the onset of the pandemic have altered our way of working irreversibly, it seems likely that attitudes towards flexible working have seen a permanent shift. While flexible working was already a prominent trend in procurement prior to the pandemic, COVID-19 has confirmed teams' continuing ability to innovate, strategise and navigate challenges together, even when working in different locations - and our findings show the importance professionals place on flexible working strategies. As the wider market continues on its journey of growth and recovery, remote working will be an important element of any employer's candidate attraction strategy, so it should be offered wherever possible.

As the procurement function continues to evolve, organisations will not only need to re-examine its role, but how it operates and where its strategic focus needs honing. For example: at what points data is harnessed, where supplier relationships can be strengthened and how innovation can be driven in category management. These are just a few of the trends we can expect to see transform the procurement function in 2021. We hope you find the insights covered in this report useful, both as you formulate your future talent management strategies, and plan for your own career development.

hays.co.uk/procurement

A handwritten signature in blue ink, appearing to read 'Scott Dance'.

Scott Dance
Director, Hays Procurement & Supply Chain

2021 Economic Outlook



The UK economy performed better than expected towards the end of 2020, with economic activity declining by a record 9% compared to December 2019, but nowhere near the 15% decline that was expected at the start of the global pandemic in March 2020.

The emergence of the UK economy from the pandemic, aided by a truly world-class vaccination rollout, means that the UK economy will grow at 5% this year. Again, this compares favourably with other economies in the world that are struggling to gain a foothold in recovery.

The growth of the UK economy will now be driven by household consumption as historically high levels of savings are unleashed on the economy and consumer confidence returns. A modern version of the 'roaring 1920s' where spending increased after the end of the First World War will be crucially dependent upon household confidence and a cap on inflationary pressures to prevent sky-high prices. This confidence will also depend on employment levels being maintained as the Government's furlough system comes to an end, and on the extent to which a third wave of the coronavirus pandemic causes full, or partial lockdowns of our economy.

The re-emergence of a growing economy should see an increase in business confidence and with that, investment expenditure as the driver behind a return to some economic normality. One area of concern remains the level of UK exports, which are expected to perform badly due to the continued impact of COVID-19 in export markets and the impact of Brexit on exports to the EU.

The central role that procurement has played in ensuring that supply chains remain intact, and that vital supplies are secure during the pandemic is reflected in this survey. The perception of CEOs and boards of the value that procurement brings to their organisation has improved. Procurement professionals' wages continue to rise at a rate (5%) that compares favourably to average wage increases (4.2%) across the UK economy. Furthermore, we continue to see an increase in the professional recognition of MCIPS amongst employers, with 60% of those surveyed requesting MCIPS when recruiting. Professionals themselves at Managerial level are achieving an average salary premium of 24% compared to non-MCIPS colleagues which is a huge gap between those that have chosen the professionalisation route and others without the power of CIPS driving their careers.

The pandemic will have a lasting effect on the way we work, in all professions, in the coming months. The culture of 'presenteeism' in the office has seen significant change. It will be replaced by remote, hybrid, or smart patterns of work which will enhance our productivity and our work-life balance if managed sensitively and intelligently. Aligned to the new patterns of work, increased digitalisation of procurement and supply management will see significant changes in the pattern and content of work for professionals.

As women make up around 50% of the population, it would be remiss of me not to draw attention to the continuing gender pay gap in the profession. The gap is most pronounced at the top of the profession, and while there has been a 3% reduction in the gap over the last twelve months, there is still much work to be done in this area: women offer the skills required by the profession, but may not have access to the support needed to succeed at higher levels.

Finally, the UK economy owes a debt of gratitude to many of its key workers. The procurement profession should also be very proud of its value and contribution to managing the effects of COVID-19, and of its vital role in keeping UK industry operating under the severest of pressures.

Dr John Glen
CIPS Economist
Visiting Fellow of
Cranfield University

About this Report

The CIPS/Hays Procurement Salary Guide and Insights 2021 allows procurement professionals and employers to:

- Evaluate the perceptions of procurement
- Benchmark salaries and bonuses for different roles
- Highlight career aspirations
- Gain insights on how to attract, retain and develop talent

Within each section we have set out the statistical findings of our survey alongside conclusions drawn by the experts involved in putting together the report. In each section there are links to useful information and resources that further support the points discussed.

The findings in this report are based on research conducted in January - February 2021 via a global online survey of professionals currently working in procurement. This year 6,512 professionals completed the survey. The research was conducted and results were analysed by the market research agency, Verve.

The data in all graphs is based on 2021 respondents only. It's important to note that whilst some significant differences year on year have been highlighted, the survey sample profile differs each year, depending on who chooses to participate. This year, we saw a significantly higher proportion of public sector professionals taking part in the research than in previous years. We know from previous years that salaries, bonuses and benefits can differ across sectors and so it's important to note that the data isn't directly comparable to 2020. With that in mind, we have limited the year on year comparisons so as not to be misleading. Statistics throughout this report have been rounded to the nearest decimal point. Throughout this report different levels of professional seniority have been summarised into five levels of competency. These are described in the chart below, along with some examples of job roles that fall into each group.

This report is divided into five sections:

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- 1 Procurement: Perceptions, Challenges, Skills and Opportunities
- 2 Salaries, Bonuses and Benefits
- 3 Talent Management
- 4 Equality, Diversity & Inclusion (ED&I) in the Workplace
- 5 Interims

COMPETENCY LEVEL

TYPICAL JOB ROLES

Advanced Professional

Head of Procurement, Procurement Director, Commercial Director, Chief Procurement Officer, Supply Chain Director, Head of Sourcing.

Professional

Procurement Manager, Purchasing Manager, Senior Category Manager, Supply Chain Manager, Strategic Procurement Manager, Operations Manager, Commercial Manager, Head of Logistics.

Managerial

Senior Buyer, Category Manager, Contracts Manager, Contracts Officer, Logistics Manager, Supply Chain Executive.

Operational

Buyer, Procurement Specialist, Supply Chain Analyst, Procurement Executive, Procurement Officer, Supply Chain Planner, Logistics Analyst.

Tactical

Purchasing Assistant, Assistant Buyer, Administrative Assistant, Stock Controller, Contracts Administrator, Inventory Planner, Assistant Contracts Officer.

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Procurement: Perceptions, Challenges, Skills and Opportunities

In a year like no other, procurement has been thrust into the limelight by both the COVID-19 pandemic and Brexit. Procurement professionals have had to adapt to significant and sudden changes to supply chains, playing an instrumental role in 'keeping the country moving' through several lockdowns.

96%

see technology as an enabler of opportunities within procurement

The vast majority of professions have seen significant change over the last year. For procurement and supply professionals, our work has become much more visible to the wider public, which has had a knock-on effect on the awareness and appreciation of our role.

Despite the challenges – with many supply chains stretched to capacity and beyond – 67% of supply chain professionals believe that procurement is now more valued within their organisation than it was last year. Procurement activities are also now more likely to be valued and understood by senior managers, as the strategic importance of securing the strongest suppliers has increased.

These factors contribute to this year's strong job satisfaction figures: 75% of procurement professionals are now either equally satisfied or more satisfied in their roles than 12 months ago. Moreover, for 49% working in procurement and supply was a conscious decision, indicating that procurement is a career of choice in half of the cases.

Soft skills remain on the agenda for hiring managers: the ability to lead, communicate effectively and manage suppliers and stakeholders is as important as ever.

As the profession grows in confidence and prominence, it will become increasingly important for leaders to focus on soft skills. These are important training areas for procurement departments to invest in, to ensure they are well-equipped to deal with future challenges.

In tandem with internal training, we should aim to meet the demand for soft skills by looking externally. As we'll see later in this report, the move towards remote working and targeting under-represented groups opens the profession up to a diverse range of individuals, who will bring with them a range of new skills.

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The spotlight thrown on procurement during the past year has both highlighted its wider importance and increased visibility and appreciation of the function. However, the same challenges and complexities that have called attention to its value have also increased the need for more sensitive and strategic communication. The challenge now for professionals will be to ensure their soft skills are fully optimised for new ways of working that are almost certainly here to stay in some form. Leaders in particular will need to consider how they can ensure they are communicating internally to their teams in ways that are both clear and culturally inclusive.

Scott Dance, Director
Hays Procurement & Supply Chain

How Procurement is Viewed

73%

believe that Directors and Heads of other departments in their organisation understand what procurement specialists can offer
(average across all sectors)

72%

Private Sector

76%

Public Sector

74%

Charity/Not For Profit

From sourcing supplies for the NHS to ensuring that supermarkets remain well-stocked during periods of panic buying, the procurement function has arguably been more visible to the public this year than ever before.

Perceptions of procurement and supply management remain consistently positive, with 67% of respondents believing that the profession is valued within their organisation. There have been improvements in the last year, with 67% believing that there has been a positive change. Encouragingly, there is increasing recognition from senior audiences, with more Directors and Heads of other departments understanding what procurement specialists can offer - increasing from 66% last year to 73%. This suggests that the pandemic has emphasised the strategic benefits of a strong procurement function.

Senior recognition is more common in the public sector than elsewhere: Directors and Heads of other departments within public sector organisations have a better understanding of the function. As a result, those in the public sector are more likely to believe that procurement is valued by their organisation. This may be because they are more likely to be engaged from the start of a project, making them more visible to wider team members and internal stakeholders and offering profile-raising opportunities that benefit individuals as well as the wider procurement function.

There has been a notable increase in positive perceptions of procurement in the charity/not for profit sector. The wider context of fragile employment and economic uncertainty has meant that charities have taken on an increasingly important role in society, supporting an array of needs from mental health to food banks. This year's figures suggest that procurement specialists in the charity/not for profit sector are increasingly recognised for their ability to help stretched resources go further and support the ever-increasing demands on their organisations.

HOW PROCUREMENT IS VIEWED

73% ★★★★★★☆☆☆☆

Directors and Heads of other departments in my organisation understand what procurement specialists can offer

67% ★★★★★★☆☆☆☆

Perception of procurement has improved in the last 12 months

67% ★★★★★★☆☆☆☆

Procurement is very much valued within my organisation

62% ★★★★★★☆☆☆☆

Staff in other departments in my organisation understand what procurement specialists can offer

59% ★★★★★★☆☆☆☆

Procurement is engaged from the start of a project

CIPS TIPS



Guidance: *Communication and Soft Skills*



Guidance: *Stakeholder Management*



Guidance: *Procurement Leaders*



Article: *Three lessons for CPOs using behavioural science*



The increased understanding from senior audiences of what procurement specialists can offer to an organisation this year demonstrates the visibility of its role during the pandemic: minimising damage to the economy, mitigating risk to supply chains and providing crucial support that has enabled organisations to maintain business continuity. Looking ahead, the trends that we have seen emerging in procurement this year will be crucial to implementing enduring business practices that are both responsible and sustainable.

Scott Dance, Director
Hays Procurement & Supply Chain

Key Challenges by Sector

52%

believe that recovering from the COVID-19 pandemic will be a key challenge for procurement professionals (across all sectors)

COVID-19 has had a significant impact on the procurement profession. As is the case for many professions, we've had to change and adapt to new circumstances and ways of working, which presents both challenges and opportunities to bring in positive changes.

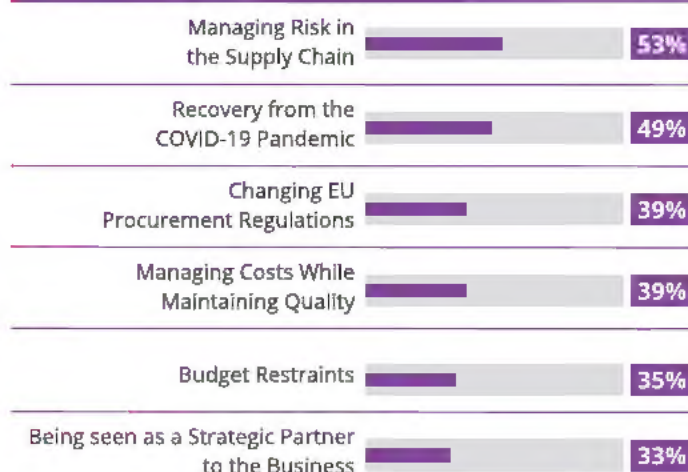
Whilst many have successfully implemented new practices, over half of professionals believe that recovering from the pandemic will be a key short-term challenge. Continuing to show the value of procurement to those outside the profession will be key to full recovery.

Changing EU procurement regulations are also identified as a challenge to overcome across all sectors, as Brexit has created new levels of complexity and new norms that the industry needs to comply with. Keeping on top of changing legislation to limit disruption will be key to navigating the uncertainty that lies ahead.

Managing risk in the supply chain continues to prove challenging for procurement professionals, and is a particular concern in the private and charity/not for profit sectors. Being adaptable enough to deal with constant disruption and react effectively to change will be key to tackle this challenge. Collaborating to find innovative ways of working to build resilience in the supply chain will also be critical.

TOP SIX CHALLENGES BY SECTOR

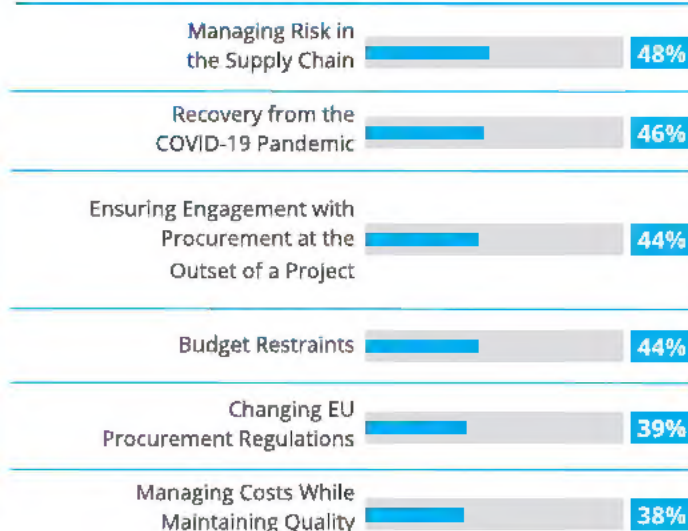
PRIVATE SECTOR



PUBLIC SECTOR



CHARITY/NOT FOR PROFIT SECTOR



CIPS TIPS



Guidance: *Mitigating Supply Chain Risk*



Tool: *CIPS Risk and Resilience Assessment Tool*



Tool: *CIPS Risk Tools*



Podcast: *Best Approach to Risk Mitigation*



Podcast: *Financial Analysis to Identify Risk*

Key Skills by Sector

Top three skills in 2021 (across all sectors)

- 1** Supplier Relationship Management **51%**
- 2** Communication **51%**
- 3** Negotiation **47%**

Overall importance of soft skills



As demands on procurement professionals have continued to evolve, so have the associated skills needed to succeed in the role. As with last year, soft skills continue to dominate the top five skills in demand across all sectors, with supplier relationship management (SRM) being particularly crucial. At a time when procurement and supply professionals are relied upon more than ever, continuing to manage supplier relationships through effective communication and strong influencing skills are critical to ensure cost-effective and strategically sound procurement solutions.

As in 2020, supplier relationship management continues to be most important in the private sector, where security of supply is critical to organisations. Meanwhile, in the charity/not for profit sector it is influencing skills that are considered essential. Budgets are of course much tighter here, and ensuring cost-effective solutions is imperative. Within this sector, there is a need to create a business case, secure buy-in from internal stakeholders and source the right suppliers to ensure budgets are maximised.

Whilst strong soft skills and the ability to engage and influence stakeholders in a collaborative way are becoming essential for professionals, they should be underpinned by credible technical skills, with negotiation and sourcing key across all sectors. With budgets likely to tighten over the coming months, negotiating the lowest rates to obtain the best value and ensuring the top suppliers are sourced will be essential. This is to provide organisations with the best chance of successfully recovering from the pandemic and Brexit.

Key Soft skills Technical skills

KEY SKILLS CONSIDERED IMPORTANT BY SECTOR

	PRIVATE SECTOR	PUBLIC SECTOR	CHARITY/NOT FOR PROFIT SECTOR
Supplier Relationship Management	57%	41%	39%
Negotiation	57%	30%	30%
Communication	52%	51%	40%
Internal Stakeholder Management	41%	43%	41%
Influencing	37%	35%	47%
Sourcing	34%	25%	23%
Contract Management	28%	37%	27%
Leadership	26%	27%	35%
Supplier Evaluation and Appraisal	23%	22%	19%
Tendering	19%	42%	38%
Raising the Profile of Procurement	15%	20%	31%

Importance of Key Skills by Job Level

Communication is the only skill listed in the top five for every job level

At all levels, soft skills continue to be the most sought-after for hiring managers. Whilst technical skills and procurement qualifications remain important for career development and credibility, soft skills are central to delivering strategic solutions, leading teams and managing stakeholders.

At an Advanced Professional level, leadership is (perhaps unsurprisingly) considered to be the most important skill; the ability to lead teams calmly through a period of crisis, and helping individuals adapt and thrive, is particularly critical at this level.

At all levels, internal stakeholder management is considered to be an important skill this year, highlighting the importance of managing stakeholders' expectations whilst also supporting the organisation's most urgent needs.

While communication is called out as an important skill at all grades, it is particularly high-profile at the Tactical level. As many have transitioned to a remote working environment, we've needed to adapt our communication styles to ensure that communications with colleagues, stakeholders and suppliers remain clear and effective. Arguably, strong communication skills result in better performance across all soft skills: good communicators are better able to lead, influence, and manage stakeholders and suppliers. This suggests that a focus on training individuals in this vital skill is likely to be a significant boost to any procurement team.

CIPS TIPS



Podcast: *Strategic Negotiations*



Podcast: *Increase your Game in Negotiations*



Tool: *CIPS Global Standard*



Guidance: *Communication and Soft Skills*



Guidance: *Supplier Relationship Management*



Guidance: *Procurement Leaders*



Guidance: *Implementing Change in Your Teams*

TOP FIVE MOST IMPORTANT SKILLS BY JOB LEVEL

Key Soft skills Technical skills

ADVANCED PROFESSIONAL

Leadership		74%
Influencing		62%
Internal Stakeholder Management		49%
Communication		47%
Raising the Profile of Procurement		41%

PROFESSIONAL

Supplier Relationship Management		49%
Internal Stakeholder Management		46%
Communication		45%
Influencing		44%
Negotiation		44%

MANAGERIAL

Supplier Relationship Management		56%
Negotiation		54%
Communication		47%
Internal Stakeholder Management		44%
Contract Management		37%

OPERATIONAL

Supplier Relationship Management		56%
Communication		55%
Negotiation		54%
Sourcing		42%
Tendering		42%

TACTICAL





Communication		71%
Supplier Relationship Management		52%
Sourcing		44%
Negotiation		35%
Internal Stakeholder Management		31%

CASE STUDY

Focusing on soft skills enabled Sainsbury's procurement team to adapt to the challenges of COVID-19

In March 2020, the UK was moved into lockdown due to a sharp increase in cases of COVID-19. New restrictions that were put into place caused many businesses to close down for the foreseeable future, resulting in significant disruption to supply chains. We saw major changes in terms of grocery buying habits; customers started relying more on supermarkets as other food outlets shut down and many turned to online shopping for the first time. In addition to these supply chain pressures, supermarkets needed to simultaneously grapple with new requirements to ensure the safety of staff and customers, and new ways of working. This presents us with an ideal case study to learn from how to respond to the acute challenges brought about by a crisis and how to adapt to thrive in a virtual working environment.

Patrick Dunne, Chief Procurement Officer at Sainsbury's, describes how the procurement team adapted to the challenges of COVID-19.

-  Implemented measures to make stores safe and secure for staff and customers. Installing 20,000 perspex screens in 1,000+ stores in under six weeks and designing, building, sourcing and installing 6,000 sanitation stations.
-  Expanded online services. Setting up 200+ new online grocery facilities to allow a greater number of customers to click and collect.
-  Proactively responded to supply chain disruptions. Mobilising logistics to pick up fresh produce in Spain, as truck drivers refused to travel and cross borders due to health risks.
-  Found innovative solutions to respond to food shortages. Working with the catering industry to bring in bigger packages of produce to sell in stores, thus helping industries most affected by the pandemic to offload stock.

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Personally, as a leader got to meet and learn more about my individual people than I would in a physical environment. I was interacting more with them on screen, I was spending more time with individuals. But I also got to see them in their home environment, in a more relaxed environment than you would ever do in the office. And while some struggled in a virtual only environment, overall we saw very positive results.

Although the challenge of managing through the pandemic cannot be over-stated, it strengthened the Sainsbury's procurement team and its practice. As Patrick Dunne describes: "Our pace of decision making and our pace of collaboration across functions accelerated because we had an emergency. And an emergency is great at mobilising people." The team became stronger as a whole, with adversity nurturing a new set of skills. The pace of decision making accelerated and collaboration within the team became easier, with everyone uniting behind the goal of 'getting things done' efficiently. Better collaboration was also established with the vendor base, joint effort to mobilise and deliver what customers needed. As a result of their great efforts during the pandemic and of Patrick's Strong Leadership skills, the Sainsbury's Procurement team won 'Team of the Year' at the World Procurement Awards, as well as the award for 'Outstanding People Development' at the 2020 CIPS Awards. Patrick was also the CIPS 2019/20 'Leader of The Year'.

Now that COVID-19 containment measures are in place and new ways of working are here to stay, the procurement team at Sainsbury's is turning its attention to strategies for attracting and retaining the best talent with a focus on flexible working. As a profession, we have adapted well to remote working, with many enjoying the personal freedom and work-life balance it brings. Patrick Dunne believes that championing work-life balance will help employers stand out from the crowd in a competitive market. Looking ahead, the big challenge is on the people side: in finding the right balance between remote working and office-based working, and in ensuring that the team is motivated around work-life balance. That's what will make you much more attractive as an employer.

For the team to thrive in this new, virtual working environment, it became clear that good communication skills and strong leadership were more important than ever. Patrick Dunne, Chief Procurement Officer, led from the front to motivate team members, helped guide which tasks should be prioritised, and maintained a collaborative working culture. It became apparent that there was a critical need to focus on people, to compensate for the absence of social interaction. The team made a concerted effort to ensure the wellbeing and motivation of employees by setting aside more time for one-to-one meetings, and to provide entertainment in the form of virtual wine drinks and Friday quizzes.

A huge thank you to Patrick Dunne, CPO at Sainsbury's, for taking the time to share his story with us and provide key learnings for all of us within the procurement profession.

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Salaries, Bonuses and Benefits

Despite the obvious commercial challenges of the last 12 months, employers are continuing to reward procurement professionals with bonuses and increased salaries. Salary increases in procurement have in fact outstripped the national average rate of 4.2%, reflecting the key role of the profession over the past year.

5.0%

average
pay increase

It's no secret that some sectors have fared better than others over the past year – some have found themselves in high demand and were able to grow substantially, whereas others struggled to survive.

As we might expect, employees within the former category found themselves more likely to receive a pay rise or bonus; those employed in Defence/MOD, the NHS/Health Services, Construction and IT were more likely to have received a pay rise. Nevertheless, despite variance across sectors, the overall picture is positive: salary increases in procurement have outstripped the national average rate of 4.2%.

It's clear that the challenges of the past year have ushered in the requirement for new skills and mindsets: those who are willing and able to adapt to changing workloads are highly sought-after.

This is reflected in the demand for professionals with MCIPS, FCIPS and Chartered status; these individuals have shown a commitment to the profession and an investment in their careers – a sure indicator of future leaders and 'stars'. It's likely that the combination of robust technical skills and a can-do attitude make these individuals particularly attractive to employers, especially at a time when a well-oiled procurement function is so instrumental to the success of an organisation.

One of the most important and valued benefits received by procurement professionals this year was arguably unplanned: flexible working. Although organisations may have had flexible working practices in place pre-pandemic, it's fair to say that lockdown prompted the vast majority to accelerate their offer.

Indeed, many reporting that their work-life balance has improved due to COVID-19. They now have more autonomy over where and when they work, giving them greater control over their lives outside work.

In fact, 41% believe that their work-life balance has improved due to COVID-19. They now have more autonomy over where and when they work, giving them greater control over their lives outside work.

Moving forward into next year, it's clear that the vision of what makes a great employer has changed. Remote and hybrid working are an expectation, not a perk, and with only 3% wanting to return to the office full-time, employees will be looking carefully at the practices employers have in place to support their work-life balance ambitions.

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The fact that procurement professionals have received higher than average pay increases during the past year has demonstrated both the importance assigned to the function and increased investment in it – both positive signs of its crucial role in times to come. Employers will now need to evaluate how employee priorities have changed during what has been a very turbulent year, and tailor their benefits packages accordingly to ensure they're able to secure the talent they need.

Scott Dance, Director
Days Procurement & Supply Chain

Salary Increases: Headlines

4.2%*

National average
salary increase

5.0%

Average procurement
professional salary
increase

The average salary for procurement professionals is £47,435, with 54% receiving a salary increase in the last year. The average salary increase for procurement is 5%, compared to the national average of 4.2%*. It's encouraging to see resilience from the profession in the face of adversity – a further indication of the increasing status and value of the function across sectors and industries.

It's been a particularly positive year for Supplier Relationship Managers who have seen a 10% salary increase. As we've seen earlier in this report, managing supplier relationships is a key skill needed across all levels. It stands to reason that specialists in this area would see the demand reflected in their salaries, especially as supply chains now carry an increased level of risk.

£54.1k

average salary: Supplier
Relationship Manager

10% more than in 2020

£47,435

UK average for all procurement
and supply professionals

*Source: Office for National Statistics (March 2021)

60%

request MCIPS (or
studying towards)
as a preference
when recruiting

54%

of MCIPS
received a salary
increase

MCIPS

Globally recognised, MCIPS demonstrates a commitment to keeping skills fresh and relevant – this mindset is very much in demand amongst employers, who are always in search of self-motivated and talented staff.

As we might expect, employers are willing to pay a premium for candidates with professional qualifications. At the Professional, Managerial and Operational levels, we see that individuals with MCIPS are more likely to have received a salary increase in the past year versus those without the designation. Likewise, those with MCIPS are more likely to enjoy higher salaries than those without, indicating that the benefits of formal CIPS qualifications carry through to the highest levels of seniority.

Besides the higher salaries, MCIPS offers a more positive career outlook, with 60% of employers requesting MCIPS (or studying towards MCIPS) as a preference when recruiting. This is likely to be driven by the technical knowledge gained from the qualification as well as the dedication required to pursue it: individuals motivated to invest time in further study show ambition and a thirst to succeed. Similarly, upgrading to Chartered status (which is free of charge for eligible MCIPS) further indicates a desire for continued professional development.

THE HIGHER EARNING POWER OF MCIPS MEMBERS BY LEVEL

Average salary
disparity
Professional level

12%

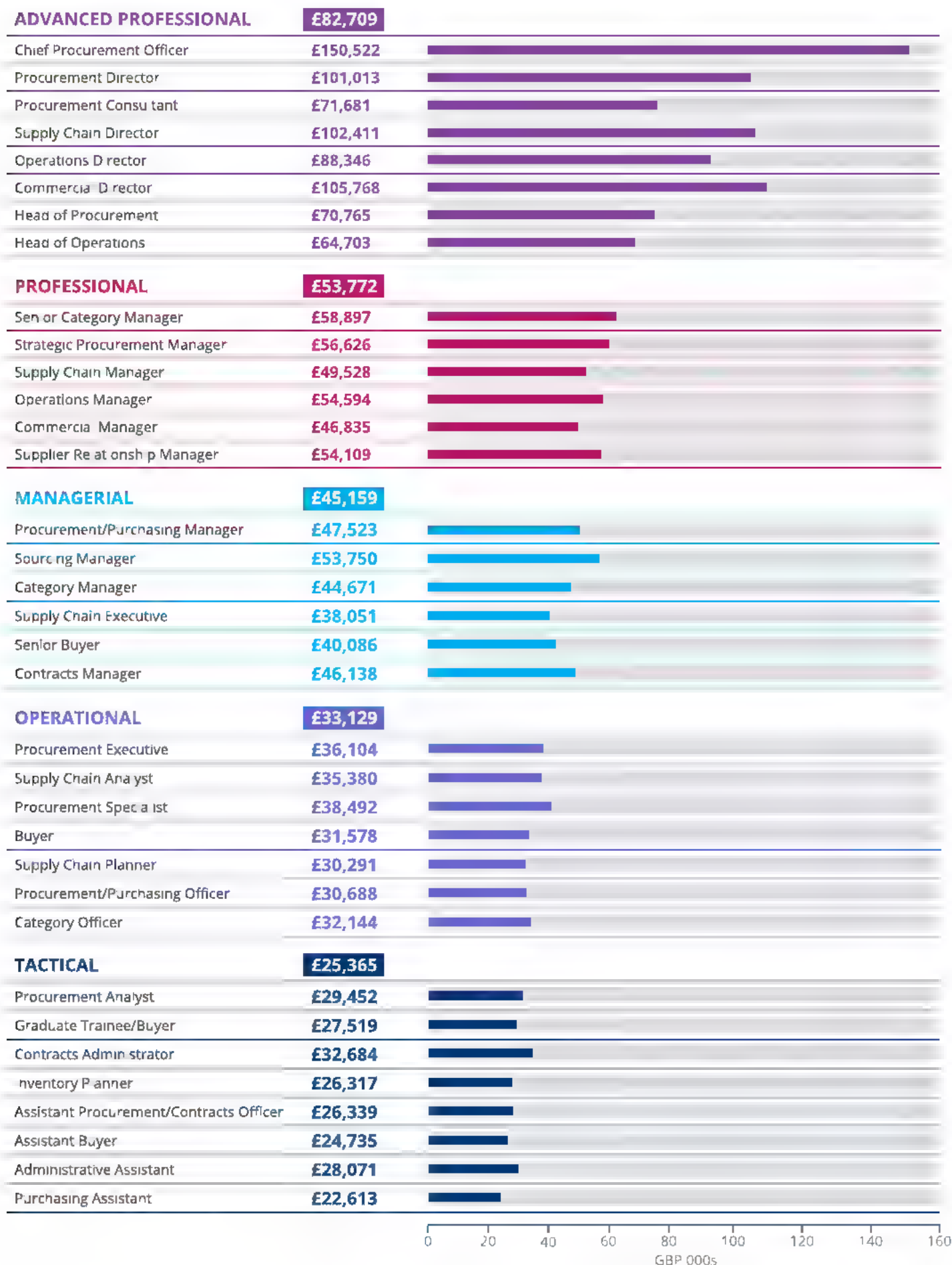
Average salary
disparity
Managerial level

24%

Average salary
disparity
Operational level

18%

UK AVERAGE SALARY BY JOB TITLE



Salaries by Region

£58.7k
average salary
London
(across all sectors)

CIPS TIPS

Tool: [Procurement Salary Guide](#)
Region, Level and Gender

Consistent with last year, the London region has the highest average procurement salaries.

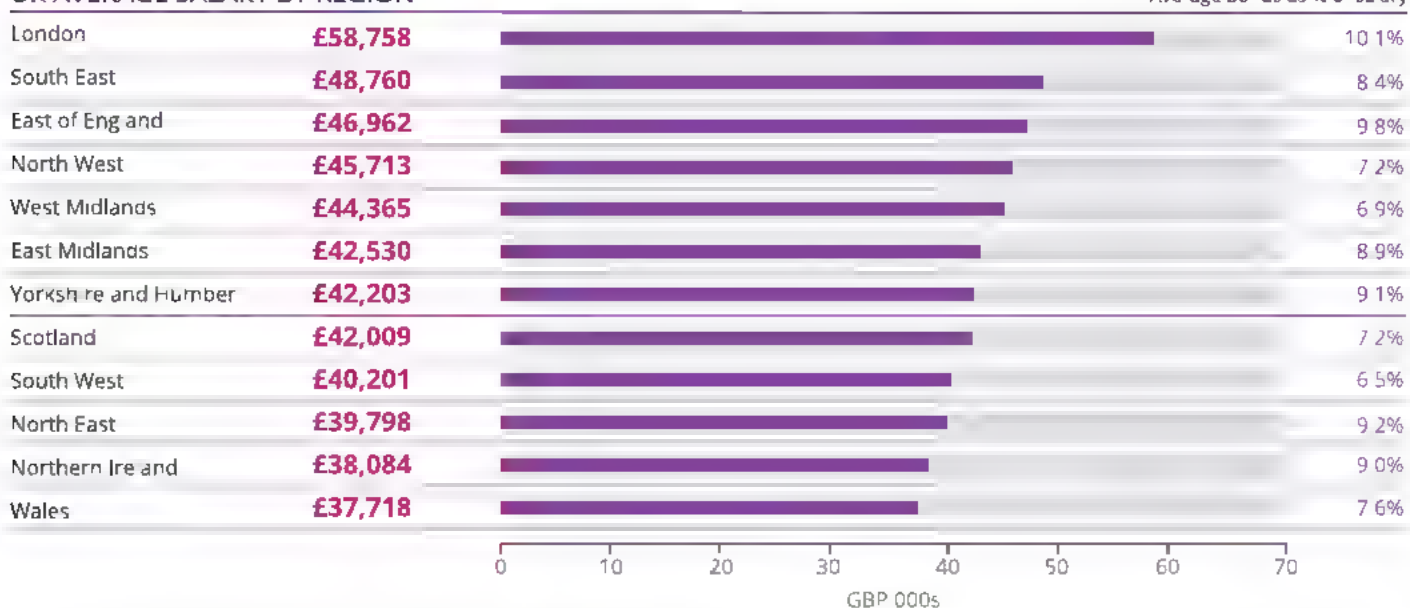
However, as salaries in London need to be balanced against commuting and housing costs, other regions remain competitive and may become increasingly attractive to employees seeking a better work-life balance with permanent remote working.

With this in mind, our survey found that 60% of procurement professionals are only prepared to travel locally, compared to 86% last year. The pandemic has provided a greater acceptance of working from home, limiting the number of trips to the office.

With 54% showing a preference towards remote working, procurement professionals could seek opportunities further afield, safe in the knowledge that the role won't include daily commuting. Employers must acknowledge this in their hiring strategies and be open to flexible working patterns to attract the best talent.

Any flexible working policies should be communicated clearly. If they're going to become a permanent fixture they should be advertised from the initial point of candidate contact, whether on a website, job advert or interview.

UK AVERAGE SALARY BY REGION



% OF UK RESPONDENTS RECEIVING A SALARY INCREASE



Salary by Sector

60%

received a
pay rise in the
public sector

CIPS TIPS

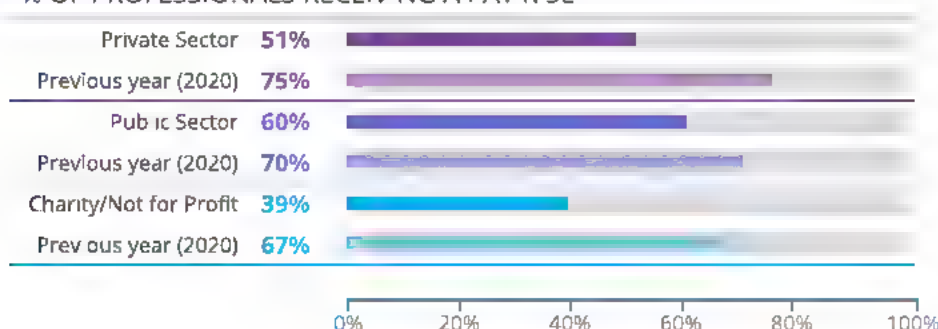
Guidance

In recent years, we have seen a trend towards public sector employers offering more competitive salaries and this year is no different. In a year where public sector procurement has been prominent in the public eye, we see a higher proportion of public sector procurement professionals receiving a pay rise than any other sector. Nevertheless, salaries do remain higher in the private sector.

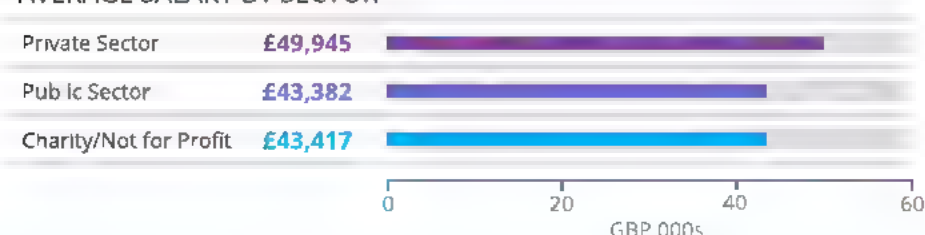
Despite a comparatively strong performance from the public sector, pay rises were far less prevalent across the board this year when compared with last year's data.

It's clear that the pandemic has led to a more cautious approach to organisational spending, with any 'non-essential' spending delayed until there is more economic certainty. Whilst this approach has meant that employees were less likely to receive a pay rise, they did receive other benefits, such as above statutory pension contributions and career development support, in a more rounded package of employment benefits. See [page 29](#) for more details about benefits that employees desired and received.

% OF PROFESSIONALS RECEIVING A PAY RISE



AVERAGE SALARY BY SECTOR



“

Whilst public sector procurement has taken the lion's share of the spotlight this year due to the additional strain placed on services by the pandemic, there has been consistently strong activity in many industries and verticals within the private sector, including logistics, e-commerce and life sciences. We are also increasingly starting to see a strong, sustained recovery to activity levels within the private sector in general.

With procurement employers currently experiencing significant skills shortages in certain areas, competing for the right professionals has taken on more strategic significance, and public sector organisations looking to hire are increasingly looking to the private sector as a source of talent. Whilst the issue of competing salary-wise remains, our research shows that a higher proportion of public sector procurement professionals received a pay rise this year than those from the private sector, demonstrating the increased competition between the sectors.

Scott Dance, Director
Hays Procurement & Supply Chain

Salaries: Private Sector Breakdown

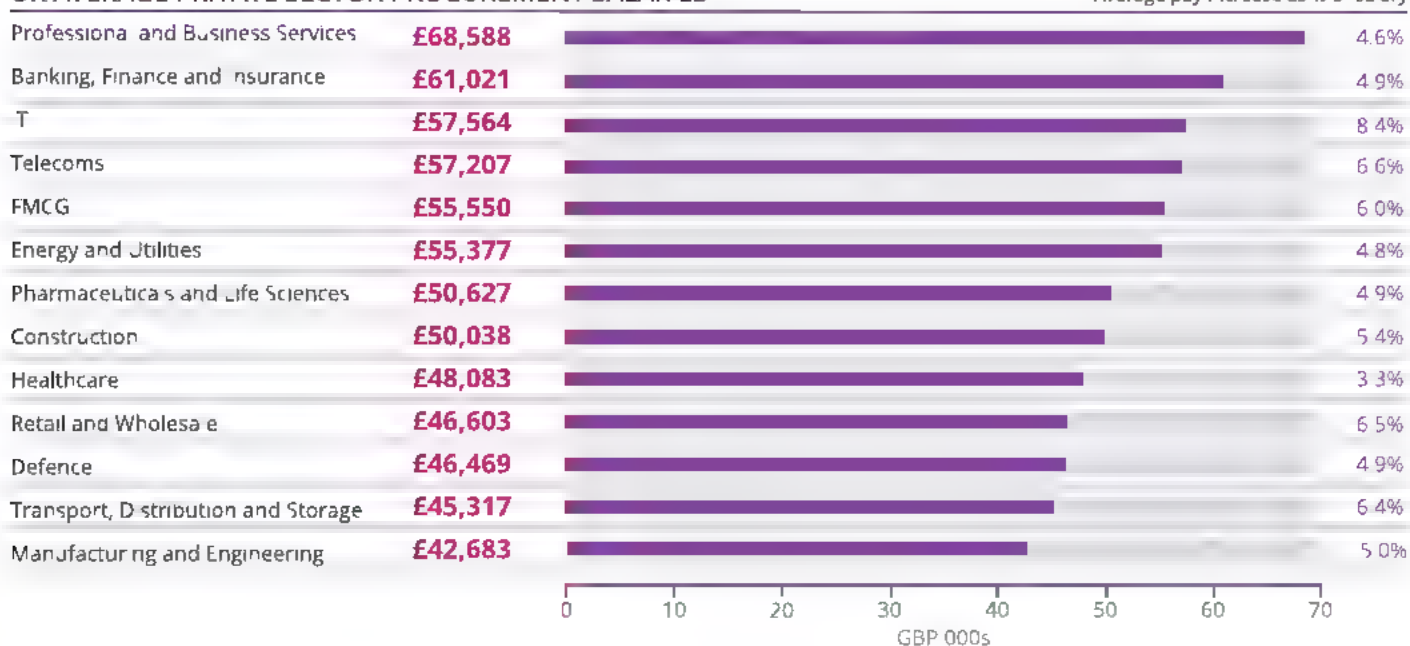
5.4%
average
procurement
pay rise for
Construction

As we've seen in previous years, the highest salaries in the private sector are within Professional and Business Services at £68,588, with Banking, Finance and Insurance following closely behind at £61,021 on average.

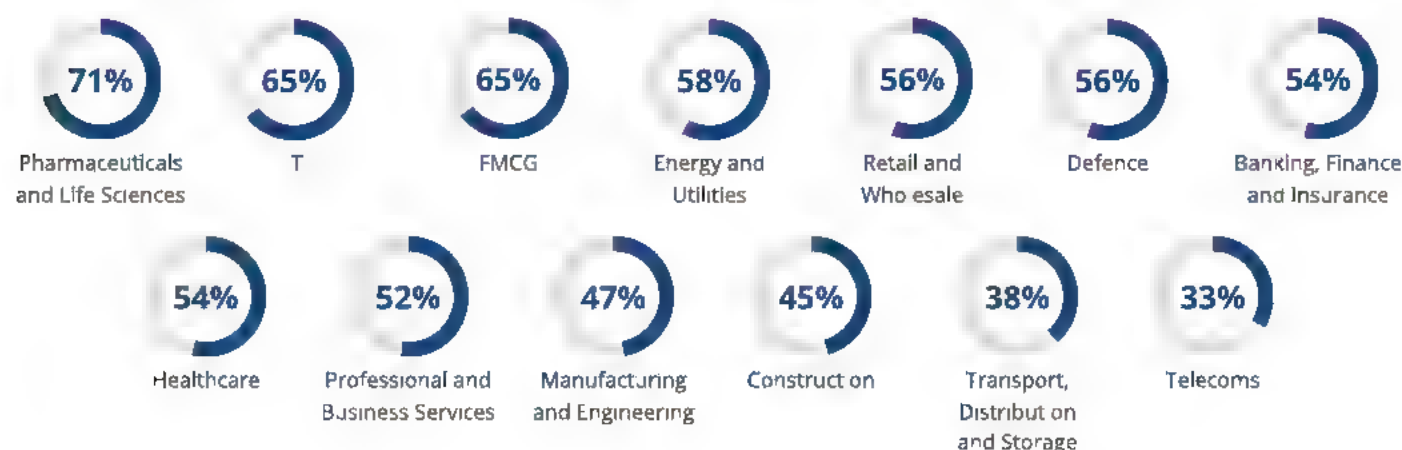
Though many industries have seen disruption to their services this year, the Construction and IT industries have remained open, with Construction able to continue despite the lockdowns across the year.

The Pharmaceuticals and Life Sciences industry also saw significant improvements over the last year, due to its key role during the pandemic. In fact, of all the industries covered in our survey, this sector employs the highest proportion of procurement professionals eligible for a pay rise.

UK AVERAGE PRIVATE SECTOR PROCUREMENT SALARIES



PROPORTION OF PRIVATE SECTOR PROFESSIONALS WHO RECEIVED A SALARY INCREASE



Salaries: Public Sector Breakdown

5.6%

average
procurement pay
rises for Defence/
MOD/DOD

Public sector salaries have remained consistent with 2020, with the highest paid industry being Central/Federal Government.

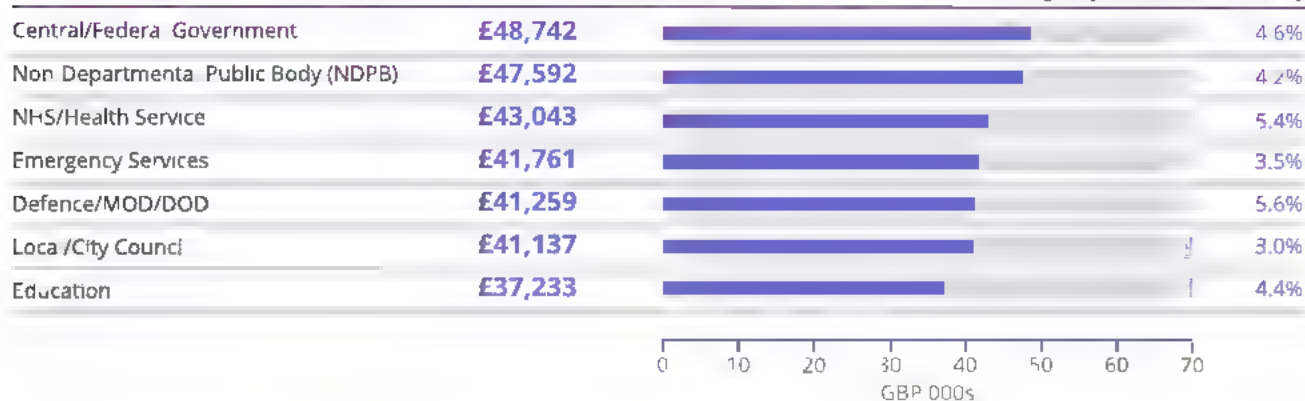
The industries seeing the biggest increase as a percentage of salary are Defence/MOD/DOD and the NHS/Health Services. The Defence industry has been vital in supporting COVID 19 efforts, particularly in terms of vaccination roll-outs. Procurement professionals are at the heart of many of those decisions, helping to source and manage suppliers to ensure a rapid and

smooth vaccination programme. The role of procurement professionals in the NHS/Health Services over the past year has been vital to support the efforts of frontline staff.

Local/City Councils are the vertical with the largest proportion of procurement professionals receiving a pay rise in the last 12 months at 67%. Central/Federal Government and Defence/MOD/DOD follow at 60%, with 59% of procurement professionals in the NHS/Health Service receiving a pay rise.

UK AVERAGE PUBLIC SECTOR PROCUREMENT SALARIES

Average pay increase as % of salary



Salaries: Charity/Not For Profit Sector Breakdown

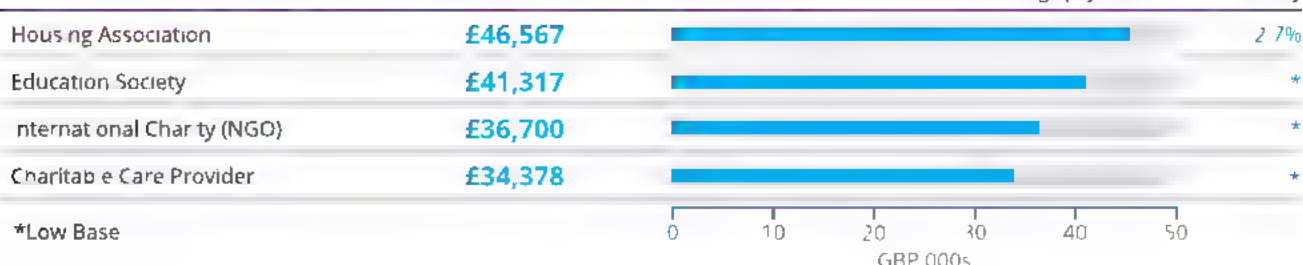
2.7%

average procurement pay
rises for Housing Associations

The highest salaries in this sector were reported in Housing Associations, which saw the highest proportion of professionals receiving a pay rise at 58%. The past year has been particularly difficult for the charity/not for profit sector. In fact, we have 50% of procurement professionals working in this sector who didn't receive a pay rise this year, compared to 39% and 29% in the private and public sectors, respectively.

UK AVERAGE CHARITY/NOT FOR PROFIT PROCUREMENT SALARIES*

Average pay increase as % of salary



*Low Base

Salaries by Sector and Seniority

18%

salary disparity at Professional level in favour of the private sector

AVERAGE SALARIES AT PROFESSIONAL LEVEL BY SECTOR



As with last year, we see the private sector offering the most competitive salaries, with the salary gap widening compared to other sectors, especially at the Advanced Professional, Professional and Managerial levels. However, the changing working landscape means that prospective candidates are likely to be motivated by more than just salary; other benefits and packages are becoming increasingly important.

AVERAGE SECTOR SALARIES BY LEVEL

UK average pay increase as a % of salary

ADVANCED PROFESSIONAL

Private Sector	£89,258	5.7%
Public Sector	£74,560	4.8%
Charity/Not For Profit Sector	£59,282	6.3%

PROFESSIONAL

Private Sector	£57,635	5.1%
Public Sector	£48,960	5.0%
Charity/Not For Profit Sector	£45,824	2.4%

MANAGERIAL

Private Sector	£47,280	5.6%
Public Sector	£40,823	3.8%
Charity/Not For Profit Sector	£42,330	3.3%

OPERATIONAL

Private Sector	£33,401	5.9%
Public Sector	£32,869	3.9%
Charity/Not For Profit Sector	£31,253	1.8%

TACTICAL

Private Sector	£24,716	4.9%
Public Sector	£26,447	4.2%
Charity/Not For Profit Sector	£24,125	4.0%

GBP 000s

“

Many professionals have decided, in the wake of the pandemic, that they are keen to pursue a career that's more meaningful in nature. Therefore, the public sector organisations currently looking to hire would be well advised to capitalise on the social value of the work they do, to increase their chances of securing the talent they need.

Scott Dancer, Director
Days Procurement & Supply Chain

SALARY DISPARITY BETWEEN PRIVATE AND PUBLIC SECTOR BY LEVEL



Salaries by Sector and Region

12%

higher salaries
for the private
sector in London
than in the
public sector

Whilst salaries have increased over the past year, the gap is closing between the public and private sectors. Last year, we saw that private sector salaries in London were 17% higher than those in the public sector; this figure has now dropped to 12%. This shift is likely to have been driven by the pandemic, where it has hit budgets in some industries, more than others. This has also prompted some procurement professionals to think about the impact of their work – resulting, in turn, in some moving to the public sector.

Work-life balance and job satisfaction have become more important than ever when considering career progression opportunities and evaluating prospective employers.

This means that offering a competitive benefits package as well as a competitive salary is increasingly important.

The East of England appears to have the highest salary disparity, with procurement professionals in the public sector being paid 22% less than their private sector counterparts. We see a similar pattern in the East Midlands and Yorkshire and Humber (both with a 19% disparity). In contrast, public sector employees in a handful of regions earn a comparatively higher salary: in the West Midlands, public sector procurement professionals are paid 7% more than their private sector counterparts, and in Northern Ireland, there is a 4% disparity in favour of the public sector.

AVERAGE SECTOR SALARIES BY REGION

REGION	PRIVATE SECTOR	PUBLIC SECTOR	CHARITY/NOT FOR PROFIT	Disparity Private vs Public Sector
London	£61,261	£54,515	£58,037	£6,746, 12%
South East	£51,011	£44,897	£42,178	£6,114, 14%
South West	£41,807	£38,481	£38,180	£3,326, 9%
West Midlands	£43,392	£46,592	£44,000	£3,500, -7%
East Midlands	£44,271	£37,183	£46,333	£7,088, 19%
East of England	£50,858	£41,694	£35,750	£9,164, 22%
North East	£41,564	£38,945	£30,104	£2,619, 7%
North West	£48,095	£40,917	£43,069	£7,178, 18%
Yorkshire and Humber	£45,921	£38,658	£30,749	£7,263, 19%
Northern Ireland	£37,469	£39,025	£32,000	-£1,556, -4%
Scotland	£43,418	£40,307	£41,150	£3,111, 8%
Wales	£37,839	£37,896	£34,988	-£57, -0.2%

Salaries by Gender

30%

average gender
pay gap at
Advanced
Professional level

narrowed by
3% since 2020

Gender pay gap reporting is something we continue to monitor closely. We have seen the pay gap narrow by 3% at Advanced Professional level. However, there is still considerable work that needs to be done by organisations to address this issue and to ensure women continue to join and remain in the procurement profession.

An improved gender balance offers many advantages for organisations, from greater

innovation to improved productivity and more. It's crucial that the procurement profession continues to invest and strive for better when it comes to ED&I, even though many organisations continue to face economic challenges. Making comprehensive ED&I policies a core part of their talent acquisition and retention strategy is key for organisations looking to attract more women into procurement, as is the tailoring of flexible working options

UK AVERAGE SALARY BY GENDER AND LEVEL OF SENIORITY

Salary Difference/
Pay Gap

KEY



Male



Female

ADVANCED PROFESSIONAL

£90,122

£69,151

+£21,000, +30%

PROFESSIONAL

£56,734

£50,130

+£6,600, +13%

↑ £5.5k
from last
year

MANAGERIAL

£46,328

£44,073

+£2,300, +5.1%

↓ £5.3k
from last
year

OPERATIONAL

£33,188

£33,111

+£80, +0.2%

↓ £1.4k
from last
year

TACTICAL

£25,405

£25,470

-£70, -0.03%

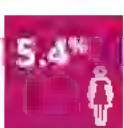
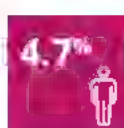
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UK RESPONDENTS AVERAGE % OF SALARY INCREASE

ADVANCED PROFESSIONAL



PROFESSIONAL



MANAGERIAL



OPERATIONAL

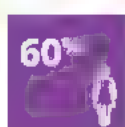
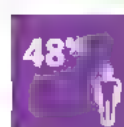


TACTICAL

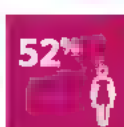


UK RESPONDENTS WHO RECEIVED A SALARY INCREASE

ADVANCED PROFESSIONAL



PROFESSIONAL



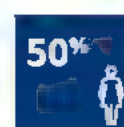
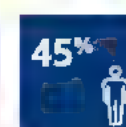
MANAGERIAL



OPERATIONAL



TACTICAL



Salaries by Gender and Sector



46%

of organisations
have a transparent
pay grade
structure in place
(across all sectors)

The gender pay gap extends into all sectors again this year, with the gap most pronounced at the Advanced Professional level. In both the private and public sectors. However, there has been a 7% reduction in the pay gap at the Advanced Professional level, compared to 2020.

There is a need for organisations to not only address the pay gap, but also to increase transparency around pay grade structures: only 46% of survey respondents felt that their organisation had a transparent pay grade structure in place. In fact, only 23% of firms in the private sector have a transparent pay grade structure. Meanwhile, 85% and 66% of public sector and charity/not for profit organisations respectively are transparent about their internal pay grade structure.

UK AVERAGE SALARY BY SECTOR, GENDER AND LEVEL OF SENIORITY

	MALE 	FEMALE 	Salary difference / Pay Gap
ADVANCED PROFESSIONAL			
Private Sector	£96,188	£73,883	22,300, 30%
Public Sector	£81,412	£64,679	16,700, 26%
Charity/Not for Profit Sector	£59,883	£62,139	-2,300, -4%
PROFESSIONAL			
Private Sector	£59,652	£53,413	6,200, 12%
Public Sector	£51,294	£46,105	5,200, 11%
Charity/Not for Profit Sector	£49,767	£44,247	5,500, 12%
MANAGERIAL			
Private Sector	£47,984	£46,860	1,100, 2%
Public Sector	£41,768	£39,550	2,200, 6%
Charity/Not for Profit Sector	£49,767	£44,245	5,500, 12%
OPERATIONAL			
Private Sector	£33,431	£33,352	80, 0.2%
Public Sector	£33,040	£32,501	500, 2%
Charity/Not for Profit Sector	£31,055	£31,679	-600, -2%
TACTICAL			
Private Sector	£25,420	£25,051	400, 1%
Public Sector	£27,238	£28,784	-1,500, -6%
Charity/Not for Profit Sector	£22,400	£24,000	-1,600, -7%

↓ 7%
from last
year

CIPS TIPS



Case study



Tool

and Gender

Bonuses by Seniority

8.5%

average bonus
as a % of salary across
the profession

Just over half (52%) of those surveyed were eligible to receive a bonus, of those who were eligible, 69% had received a bonus in the last 12 months. For 43%, the pandemic did not impact bonus level, whereas 39% received a lower bonus than expected (or didn't receive one). As we've seen in previous years, bonus eligibility increases with seniority as does the size of it.

HOW BONUS IS DEFINED VS. PREFERRED

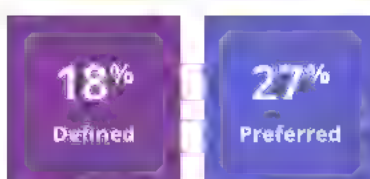
Company achieving targets



Achieving personal targets



Team achieving targets



BREAKDOWN OF BONUSES RECEIVED BY JOB TITLE AMONGST THOSE WHO ARE ELIGIBLE

Average bonus amount
as a % of salary

ADVANCED PROFESSIONAL			13.5%
Chief Procurement Officer	75%		25.0%
Procurement Director	75%		17.7%
Procurement Consultant	66%		8.4%
Supply Chain Director	72%		16.7%
Operations Director	33%		7.5%
Commercial Director	75%		14.3%
Head of Procurement	71%		5.8%
Head of Operations	57%		11.0%
PROFESSIONAL			8.7%
Senior Category Manager	76%		10.4%
Strategic Procurement Manager	68%		9.8%
Supply Chain Manager	67%		8.0%
Operations Manager	79%		8.7%
Commercial Manager	70%		6.2%
Supplier Relationship Manager	76%		7.4%
MANAGERIAL			7.8%
Procurement/Purchasing Manager	66%		3.5%
Sourcing Manager	71%		4.7%
Category Manager	65%		3.4%
Supply Chain Executive	60%		2.4%
Senior Buyer	63%		2.9%
Contracts Manager	81%		2.2%
OPERATIONAL			6.0%
Procurement Executive	87%		5.8%
Supply Chain Analyst	69%		7.8%
Procurement Specialist	67%		6.0%
Buyer	68%		5.0%
Supply Chain Planner	75%		4.6%
Procurement/Purchasing Officer	78%		4.0%
Category Officer	100%		8.3%
TACTICAL			5.7%
Procurement Analyst	55%		9.0%
Graduate Trainee/Buyer	58%		3.4%
Contracts Administrator	100%		5.0%
Inventory Planner	86%		5.0%
Assistant Procurement/ Contracts Officer	73%		5.1%
Assistant Buyer	64%		5.4%
Administrative Assistant	64%		6.3%
Purchasing Assistant	63%		6.1%

Bonuses: FCIPS vs Non-FCIPS

14.4%

FCIPS bonus

% of salary received by FCIPS, 6% more than Non-FCIPS (across all levels and sectors)

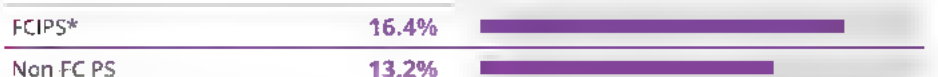
As in previous years, procurement professionals with an FCIPS designation are more likely to receive a larger bonus than non-FCIPS members.

Those awarded with Fellowship status have demonstrated their commitment to advancing standards and strategic thinking, and encourage training and best practice amongst their staff.

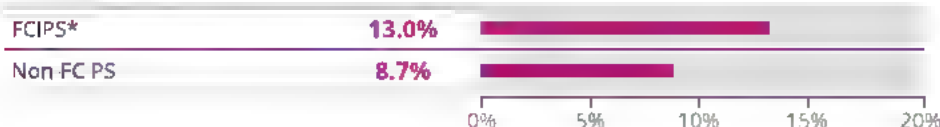
As the highest grade of CIPS membership, FCIPS recognises outstanding levels of achievement, knowledge and experience, resulting in those with Fellowship status commanding the highest levels of remuneration.

BONUS RECEIVED AS A % OF SALARY BY LEVEL, FCIPS VS. NON-FCIPS

Advanced Professional



Professional



Bonuses: MCIPS vs Non-MCIPS

9.6%

MCIPS bonus

% of salary received by MCIPS, 1.8% more than Non-MCIPS (across all levels and sectors)

Those with MCIPS are more likely to receive a bonus than their non-MCIPS counterparts, and the bonus they receive is larger.

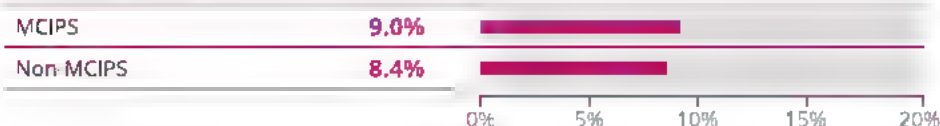
MCIPS is the global standard for the profession, demonstrating professional relevance and credibility. Those with the MCIPS designation have advantage in terms of career progression, with increased demand from employers and higher rewards and earning potential for their work.

BONUS RECEIVED AS A % OF SALARY BY LEVEL, MCIPS VS. NON-MCIPS

Advanced Professional



Professional



Bonuses by Sector and Industry: Private Sector

68%

are eligible
for a bonus

Compared to other sectors, the private sector boasts the largest proportion of procurement professionals eligible for, and in receipt of, a bonus.

This reflects the private sector's higher average salaries, particularly as bonuses are typically offered as a percentage of overall salary.

The private sector also has fewer restrictions on bonuses, when compared to the public sector.

For the vast majority (82%) receiving a bonus is defined by achieving company targets. Among those entitled to a bonus, over two in three have received one in the past 12 months.

This year, Banking, Finance and Insurance, and Pharmaceuticals and Life Sciences topped the list in terms of receiving a bonus.

BONUS ELIGIBILITY BY PRIVATE SECTOR INDUSTRIES

Bonus amount as a % of salary

Banking, Finance and Insurance	87%		10.2%
Pharmaceuticals and Life Sciences	84%		10.9%
Telecoms	80%		11.4%
Energy and Utilities	80%		9.4%
FMCG	79%		9.8%
Professional and Business Services	77%		11.5%
Retail and Wholesale	67%		10.5%
Healthcare	65%		9.2%
Defence	65%		5.5%
Transport, Distribution and Storage	63%		7.7%
Manufacturing and Engineering	61%		8.4%
Construction	56%		6.2%
IT	55%		11.8%

“

Many organisations, especially those operating in industries more acutely affected by the pandemic this year, such as hospitality and retail, have seen some challenges around bonuses. However, eligibility still broadly remains high, particularly in the finance and pharmaceuticals sectors.

Scott Dance, Director
Days Procurement & Supply Chain

Bonuses by Sector and Industry: Public Sector

25%
are eligible
for a bonus

Eligibility for a bonus in the public sector is considerably lower when compared with the private sector. Bonuses in the public sector are defined by achieving personal targets in the majority of cases, followed closely by achieving company targets.

Among those eligible for a bonus, about two in three received one

In line with last year, the largest proportion of procurement professionals in the public

sector receiving a bonus is in the Defence/MOD/DOD, Central/Federal Government and Non-Departmental Public Body (NDPB) verticals.

Moreover, we saw significant increases in the proportion of professionals entitled to a bonus across these industries – by 13% for Defence/MOD/DOD, 16% for Central/Federal Government and 12% for NDPB – showing a drive to attract talent to compete with the private sector

BONUS ELIGIBILITY BY PUBLIC SECTOR INDUSTRIES

Average bonus received as % of salary

Defence/MOD/DOD	60%		4.0%
Central/Federal Government	43%		5.5%
Non-Departmental Public Body (NDPB)	40%		5.1%
NHS/Health Service	11%		8.6%
Local/County Council	5%		6.3%
Education	3%		1.7%

Bonuses by Sector and Industry: Charity/Not for Profit Sector

18%
are eligible
for a bonus

On average, eligibility for a bonus and the amount received is lowest in the charity/not for profit sector. Although only 18% of procurement professionals are eligible to receive a bonus in this sector, 72% of those entitled received one. Bonuses in the charity/not for profit sector are mostly defined by achieving company targets.

The proportion of professionals eligible for a bonus in the Educational Society and Housing Association verticals increased compared to last year, by 8% and 10% respectively

Procurement professionals in the Education Society vertical were most likely to be eligible for a bonus this year, however, those in the Housing Association received a bonus worth a higher percentage of average salary.

BONUS ELIGIBILITY BY CHARITY/NOT FOR PROFIT

Average bonus received as % of salary

Educational Society	33%		1.8%
Housing Association	24%		4.0%

Bonuses by Gender and Region

2%

disparity in bonus eligibility for men and women

As with salary, we see a gender imbalance with bonus eligibility.

With bonuses typically paid as a percentage of salary, this translates into lower bonuses for women. This year women have received, on average, a bonus 2.4% lower than that of men.

Positively, however, we saw a significant narrowing of the disparity between men and women in terms of those who received a bonus, from 14% to 2%.

Breaking down the data by region, London, the North West, South East and West

Midlands offer a bonus to the largest proportions of procurement professionals.

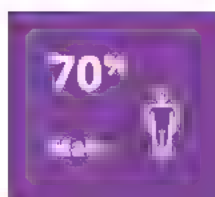
60% of those working in London were eligible for a bonus and received higher bonuses than those in other parts of the UK, reflective of the higher salaries in the region.

A large part of the higher eligibility for, and higher amount paid in bonuses, can be attributed to the higher prevalence of the banking industry within London where bonuses typically make up a significant part of a professional's remuneration.

AVERAGE BONUS AS A % OF SALARY

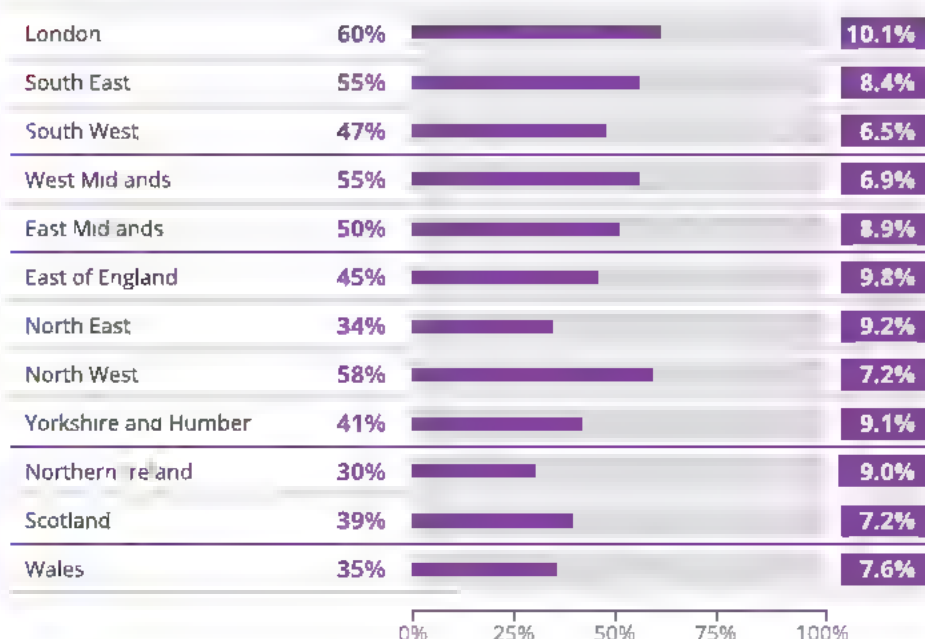


MORE MEN THAN WOMEN RECEIVED A BONUS



BONUS ELIGIBILITY BY REGION

Average bonus received as % of salary



The significant narrowing of the disparity between males and females in terms of bonus eligibility, from 14% to 2%, is a very encouraging and positive step, but it is clear that there is more still to be done to achieve true gender balance in procurement with regards to remuneration.

Scott Dance, Director
Plays Procurement & Supply Chain

Pay Grade Structure

30%

average pay gap at the
Advanced Professional level
(across all sectors)

With multiple differences in pay across gender, region and industry, it's more important than ever that organisations provide a transparent pay grade structure. This will create a more attractive proposition for prospective candidates, it will also help to retain current procurement professionals as well as demonstrate a commitment to equality, diversity and inclusion (EDI). Currently 37% of companies publish a gender pay gap report and only 15% have an ethnicity pay gap report. Organisations in the private sector are much less likely than those in the public sector to operate a transparent pay grade structure. It is going to be increasingly important for employers to commit to addressing these issues, in order to provide a more inclusive place to work and as a result, attract the best talent.

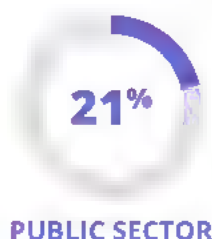
PROPORTION OF ORGANISATIONS WITH TRANSPARENT PAY GRADE STRUCTURE BY SECTOR



PROPORTION OF ORGANISATIONS THAT PUBLISH A GENDER PAY GAP REPORT



PROPORTION OF ORGANISATIONS THAT PUBLISH AN ETHNICITY PAY GAP REPORT



CIPS TIPS



Guidance: [Gender Pay Gap](#)



Guidance: [Ethnicity Pay Gap](#)



Webinar: [Pay Transparency](#)

Benefits

Working from home is the most common benefit available, with **72%** receiving it

In a year where remote working has become the norm due to COVID-19, many procurement professionals have benefitted from more flexible working practices than in the past. Whether it's flexibility in choosing where to work or when, these relaxations have meant that employees have more freedom when juggling the different priorities in their lives, resulting in improved work-life balance. Home working is likely to be here to stay (to varying degrees) and so many prospective job candidates will be expecting to see this as a standard benefit when applying for a job. They'll also be looking for other indicators of flexibility beyond home working, such as compressed hours and flexible timetables.

A different set of challenges comes with increased flexibility, particularly around maintaining a strong organisational culture and team spirit. It's crucial that employers adapt their approach, so that all employees feel included, supported and united behind a common goal. Encouragingly, organisations are offering a more diverse range of benefits than employees may expect. As the 'disparity gaps' between desired and received benefits indicate below, six of the top ten benefits are received by more people than would have expected (or desired) them.

TOP TEN DESIRED BENEFITS - DISPARITY BETWEEN DESIRABILITY AND AVAILABILITY

Working from Home



Car Allowance/Company Car



Flexible Working Hours



Life Assurance/Death in Service Benefits



Private Medical Insurance



Professional Body Membership Fee



Above Statutory Pension Contributions



Buy or Sell Holidays



Support for Study/Career Development



Income Protection/Permanent Health Insurance








Benefits, Sector and Gender



Working from home is the most desired benefit, with **61%** wanting it as part of the benefits package (across all sectors)

The private sector offers eight benefits on average, a higher number of benefits when compared to other sectors; procurement professionals in the public sector and charity/not for profit sector receive six and seven benefits on average, respectively. The last 12 months have opened our eyes to the new possibilities for work life balance, including flexible working and the ability to work from home. All feature prominently as priorities for procurement professionals this year and have shaped their expectations of future roles. With many parents having to fit work around childcare, flexible working hours became more important over the past year and highlighted the need for greater flexibility within the workplace.

TOP FIVE DESIRED BENEFITS ACROSS ALL SECTORS

1		Working from Home	61%
2		Flexible Working Hours	59%
3		Private Medical Insurance	42%
4		Above Statutory Pension Contributions	38%
5		Support for Study/Career Development	30%

TOP FIVE DESIRED BENEFITS BY SECTOR AND GENDER

	MALE 	FEMALE 
PRIVATE SECTOR		
Working from Home	55%	62%
Flexible Working Hours	51%	62%
Private Medical Insurance	50%	47%
Above Statutory Pension Contributions	40%	36%
Car Allowance/Company Car	40%	27%
PUBLIC SECTOR		
Working from Home	60%	67%
Flexible Working Hours	59%	66%
Above Statutory Pension Contributions	39%	37%
Support for Study/Career Development	30%	35%
Professional Body Membership Fee	31%	32%
CHARITY/NOT FOR PROFIT SECTOR		
Working from Home	63%	68%
Flexible Working Hours	59%	73%
Above Statutory Pension Contributions	58%	39%
Private Medical Insurance	41%	42%
Professional Body Membership Fee	30%	44%

Benefits, Seniority and Gender

Flexible working is important across all levels and genders

Whilst flexible working is important across all levels, we do see some differences across levels in other benefits sought.

As seniority increases, so does the likelihood of receiving benefits. Advanced Professionals typically prefer benefits with monetary value, such as private medical insurance, life assurance, and pension contributions above the statutory minimum.

Those at Tactical and Operational levels are still looking to advance their careers and are keen to receive support for study and career development.

Supporting professionals early on in their career and nurturing talent at Tactical and Operational levels is vital to retaining employees and ensuring their skills are well adapted to meet future challenges

TOP FIVE BENEFITS DESIRED BY LEVEL AND GENDER

KEY  Male  Female

ADVANCED PROFESSIONAL

Working from Home	56%
Private Medical Insurance	56%
Flexible Working Hours	48%
Above Statutory Pension Contributions	46%
Life Assurance/Death in Service Benefits	42%

Working from Home	67%
Flexible Working Hours	62%
Above Statutory Pension Contributions	51%
Private Medical Insurance	50%
Life Assurance/Death in Service Benefits	36%

PROFESSIONAL

Working from Home	61%
Flexible Working Hours	54%
Above Statutory Pension Contributions	47%
Private Medical Insurance	47%
Car Allowance/Company Car	36%

Working from Home	68%
Flexible Working Hours	68%
Above Statutory Pension Contributions	40%
Private Medical Insurance	39%
Support for Study/Career Development	32%

MANAGERIAL

Working from Home	60%
Flexible Working Hours	56%
Private Medical Insurance	44%
Above Statutory Pension Contributions	38%
Car Allowance/Company Car	36%

Working from Home	65%
Flexible Working Hours	62%
Private Medical Insurance	41%
Above Statutory Pension Contributions	37%
Support for Study/Career Development	30%

OPERATIONAL

Working from Home	58%
Flexible Working Hours	57%
Private Medical Insurance	38%
Above Statutory Pension Contributions	38%
Support for Study/Career Development	33%

Flexible Working Hours	67%
Working from Home	63%
Support for Study/Career Development	41%
Private Medical Insurance	38%
Above Statutory Pension Contributions	32%

TACTICAL

Flexible Working Hours	48%
Working from Home	38%
Support for Study/Career Development	33%
Above Statutory Pension Contributions	28%
Private Medical Insurance	27%

Working from Home	56%
Flexible Working Hours	55%
Support for Study/Career Development	40%
Private Medical Insurance	34%
Above Statutory Pension Contributions	28%

Benefits Employees Prioritise as a Result of COVID-19

41%

believe their work-life balance has improved as a result of COVID-19

(across all sectors)

CIPS TIPS



Guidance

It's hard to imagine that the pandemic has had any positive effects over the past year. But, with a huge move towards remote working and more flexibility within the workplace, the work-life balance for many has improved. The working landscape has changed with 54% wanting to continue working remotely over the next 12 months and with a lot of hybrid working evident too. Only 3% would like to return to the office full-time. Providing support for team members to work from home and setting up hybrid working models will be crucial to maintaining job satisfaction and staff loyalty. Over the past 12 months, organisations have helped employees by providing hardware, laptops and office furniture such as chairs and desks. However, few employers have offered additional days off for wellbeing or contributed towards household and WiFi costs. It's clear that there isn't a 'one size fits all' approach, so providing flexibility in how team members choose to work will be crucial for both attracting and retaining candidates.

CHANGE TO WORK-LIFE BALANCE DUE TO COVID-19, BY SECTOR

PRIVATE SECTOR



PUBLIC SECTOR

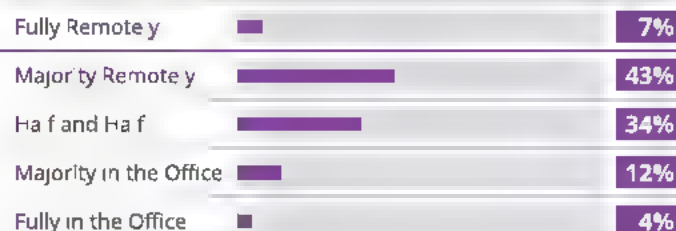


CHARITY/NOT FOR PROFIT SECTOR



WORK ENVIRONMENT PREFERENCE POST COVID-19, BY SECTOR

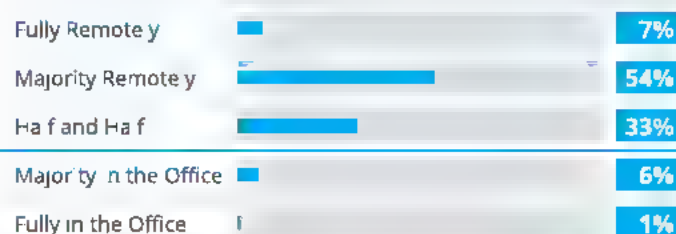
PRIVATE SECTOR



PUBLIC SECTOR



CHARITY/NOT FOR PROFIT



0% 25% 50% 75% 100%

3

Talent Management

Attracting the best talent is about more than just an industry-beating salary. The last year has reshaped expectations of the ideal procurement role: attracting and retaining the best talent requires employers to exercise deep understanding of these new expectations.

60%

**request MCIPS
(or studying
towards)
when hiring**

Most procurement professionals have become accustomed to working primarily from home over the past year. Whether this arrangement has suited everyone is open to debate - and beyond the scope of this survey. However, we can say with some certainty that it has influenced what is important to us at work.

In the previous chapter, we saw how working from home and flexible working arrangements were described as leading benefits; here we see that they are powerful retention tools, and key reasons not to seek a new role elsewhere.

Whilst flexible working and a good work-life balance are an important factor in retention, they are seemingly less important when it comes to attracting new talent.

It may be that those who are looking to pursue a new role in this uncertain climate are naturally less risk-averse, or motivated by financial incentives and career progression; the latter is clearly indicated by the data. It may also be that flexible working is not currently a differentiator, as office environments adapt.

However, it will be interesting to see whether this changes as office environments adapt, and as those who are more cautious about moving jobs begin to assess their options. We know, from wider studies, that flexible working favours diverse groups of people, particularly those with caring commitments outside of work, who may not be able to commit to traditional corporate working patterns.

We also know that hiring managers continue to struggle to find candidates with the right skills – particularly the soft skills that are increasingly valued by the industry.

It may just be that the diverse groups who particularly value flexibility have well-practised soft skills gained in other walks of life.

If this is the case, it suggests that introducing flexible working arrangements is not only a means of retaining staff, but may also help organisations that have struggled with for several years.

“

Technical skills are very important for a professional to be able to do their job well, but typically easier to teach than soft skills such as good communication and stakeholder management. Focus on hiring for potential – when recruiting, keep on the lookout for professionals who demonstrate strong soft skills and try to show flexibility with those who do not necessarily have all the technical skills you would ideally like. In your existing team, consider what training options your organisation can provide to help professionals to continue developing their soft skillset.

**Scott Dance, Director
Hays Procurement & Supply Chain**

Hiring Challenges

49%

of employers have struggled to find the right talent

in the last 12 months
(across all sectors)

In a year where we've seen huge changes in the workplace, there is still a struggle to find the right talent. Crucially, employers need to recognise changing mindsets around the role of work and reflect these changing priorities in their hiring practices. Employees are looking beyond salaries and financial benefits, to initiatives that will support their wellbeing and help them maintain a healthy work-life balance.

When looking for a new role, candidates will research the company and look to understand what the company offers: diversity and inclusion policies and training and investment opportunities, as well as working practices and any flexible working policies that may be in place.

The key challenge facing hiring managers is the difficulty in finding applicants with the right skills – in particular, sector-specific skills, technical skills and evidence of formal procurement training. This year, we've seen a rise in the number of employers struggling to find candidates with the latter. This highlights the benefits of achieving or studying towards MCIPS: it sets candidates apart from other applicants and addresses the need for professionals to evidence strong technical skills.

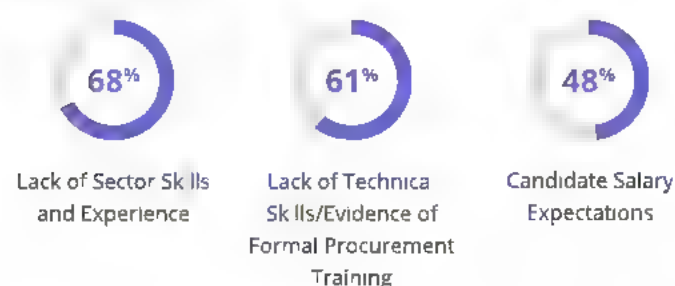
With 35% of procurement professionals responsible for hiring expecting to expand their team in the next 12 months, it's important that companies reflect a positive, inclusive and understanding image that aligns with candidates' expectations, in order to attract the best talent.

CHALLENGES IN RECRUITING BY SECTOR

PRIVATE SECTOR



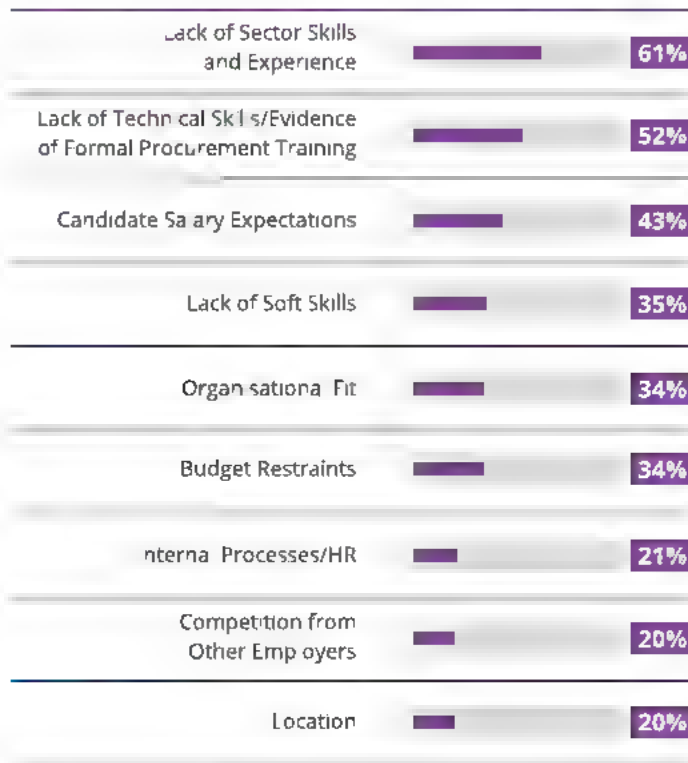
PUBLIC SECTOR



CHARITY/NOT FOR PROFIT



CHALLENGES IN RECRUITING THE RIGHT TALENT



Skills in Demand

Soft skills are in demand across all levels, particularly communication

Although a lack of technical skills is one of the key challenges that hiring managers face, soft skills again top the list of 'skills in demand' this year. Whilst soft skills are important across all levels, particularly communication and supplier relationship management, they are particularly crucial at more senior levels.

Soft skills help to strengthen and nurture relationships within organisations, elevating the procurement function. They are arguably more important when remote working is the norm, when teams are unable to meet in person, leaders must have the soft skills needed to support their teams and communicate effectively with stakeholders in the wider organisation.

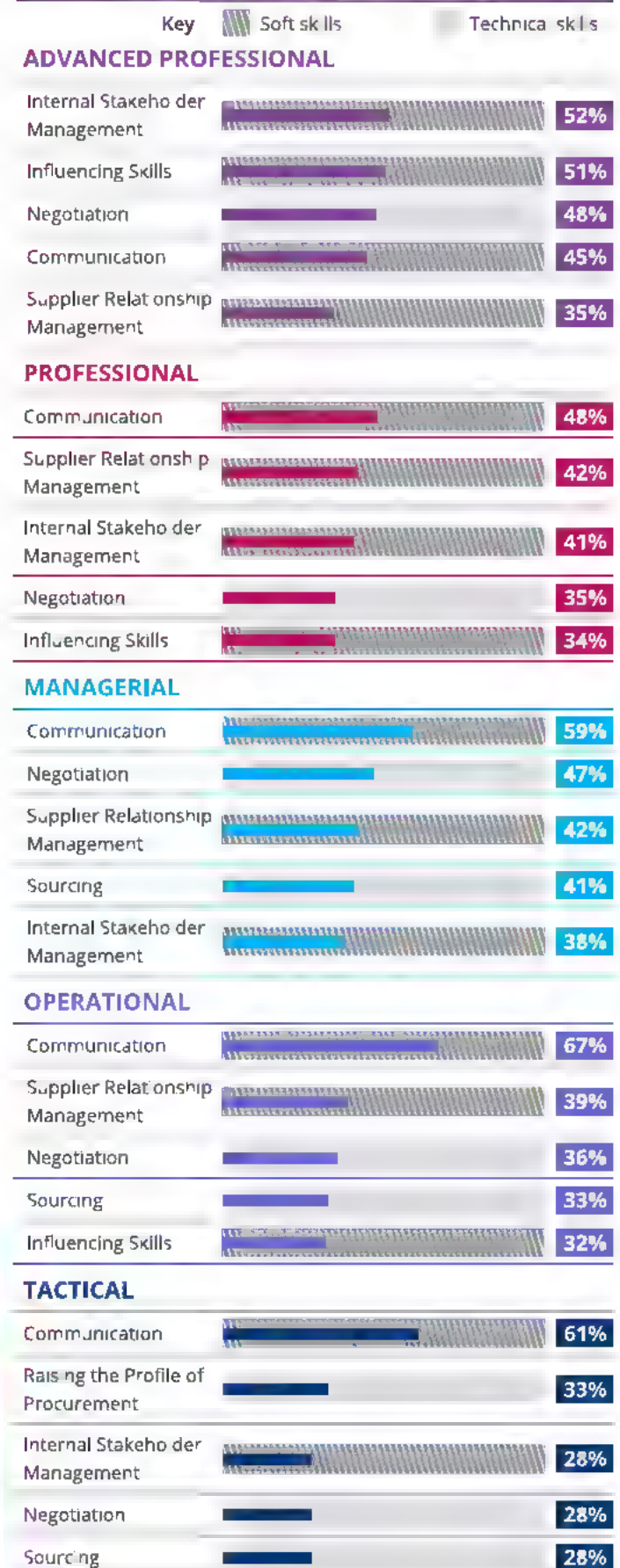
As remote working continues, it will be important for hiring managers to consider how best to evaluate candidates' skills in communication, influencing, and managing suppliers and internal stakeholders, in a virtual interview setting. We'll also need to share the points of best practice we've learnt along the way, to ensure that we're well equipped to tackle the challenges facing our profession in the next number of years.

“

Flexible working is not a new concept for procurement and has been a prevalent trend within the function for some time prior to the pandemic. However, the past year has taken this to new extremes, and procurement professionals have successfully executed projects and undertaken a number of responsibilities entirely remotely. The question now will be how to adapt this remote working model into more of a flexible 'hybrid' one as the world begins to transition, and for many professionals an increased focus on skills development, including agility and adaptability, will be key.

Scott Dance, Director
Hays Procurement & Supply Chain

TOP FIVE SKILLS IN DEMAND BY JOB LEVEL



CIPS TIPS



Guidance

Guidance

Podcast

The Value of MCIPS

60%

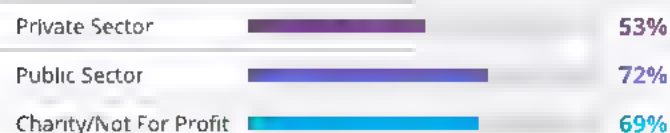
of employers will request MCIPS (or studying towards) as a preference when recruiting

(across all sectors and levels)

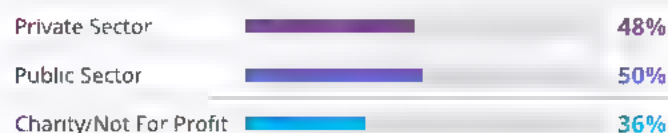
The appreciation and understanding of the value of MCIPS is evident again this year. With 60% of hiring managers requesting MCIPS, or that a candidate is studying towards MCIPS, it's clear to see how respected this designation is and it highlights the professionalism and performance of candidates. In addition, 57% of employers would give further consideration to those with Chartered status and 48% for FCIPS. As we saw earlier in the report, gaining Chartered status or holding an MCIPS or FCIPS designation offers greater benefits both in terms of salary and bonuses.

Similarly to last year, the value of MCIPS is particularly evident in the public sector, where 72% of employers express a preference for candidates to have MCIPS. It's also more likely to be preferred at the senior levels – an indication that professional qualifications prepare individuals well for the demands of these higher managerial positions.

MCIPS (OR STUDYING TOWARDS) DESIRABILITY WHEN RECRUITING BY SECTOR



FCIPS DESIRABILITY WHEN RECRUITING BY SECTOR



CHARTERED DESIRABILITY WHEN RECRUITING BY SECTOR



MCIPS (OR STUDYING TOWARDS) DESIRABILITY WHEN RECRUITING BY LEVEL OF SENIORITY



We have historically seen high demand for the MCIPS qualification within the public sector, with employers having an appreciation for the commitment to professional development that it shows. We are also now beginning to see an increasing number of private sector employers ask for it, which is incentivising professionals to begin studying towards the qualification.

Scott Dance, Director
Days Procurement & Supply Chain



MCIPS – the global standard for the profession.

Find out more about the benefits of MCIPS for accelerating your career

Employee Movement Plans

27%

expect to be moving to a new role within the next six to twelve months

CIPS TIPS



Podcast: How to Attract and Retain the Best Talent



Podcast: How to Maintain an Inclusive Workplace Culture



Guidance: CIPS ED&I Hub

Although appetite for finding a new job within procurement has dipped in the last year, there is still openness to moving roles despite the turbulent circumstances.

As new job opportunities start to be advertised, the most ambitious professionals will open their eyes to new possibilities if their current role isn't meeting their needs.

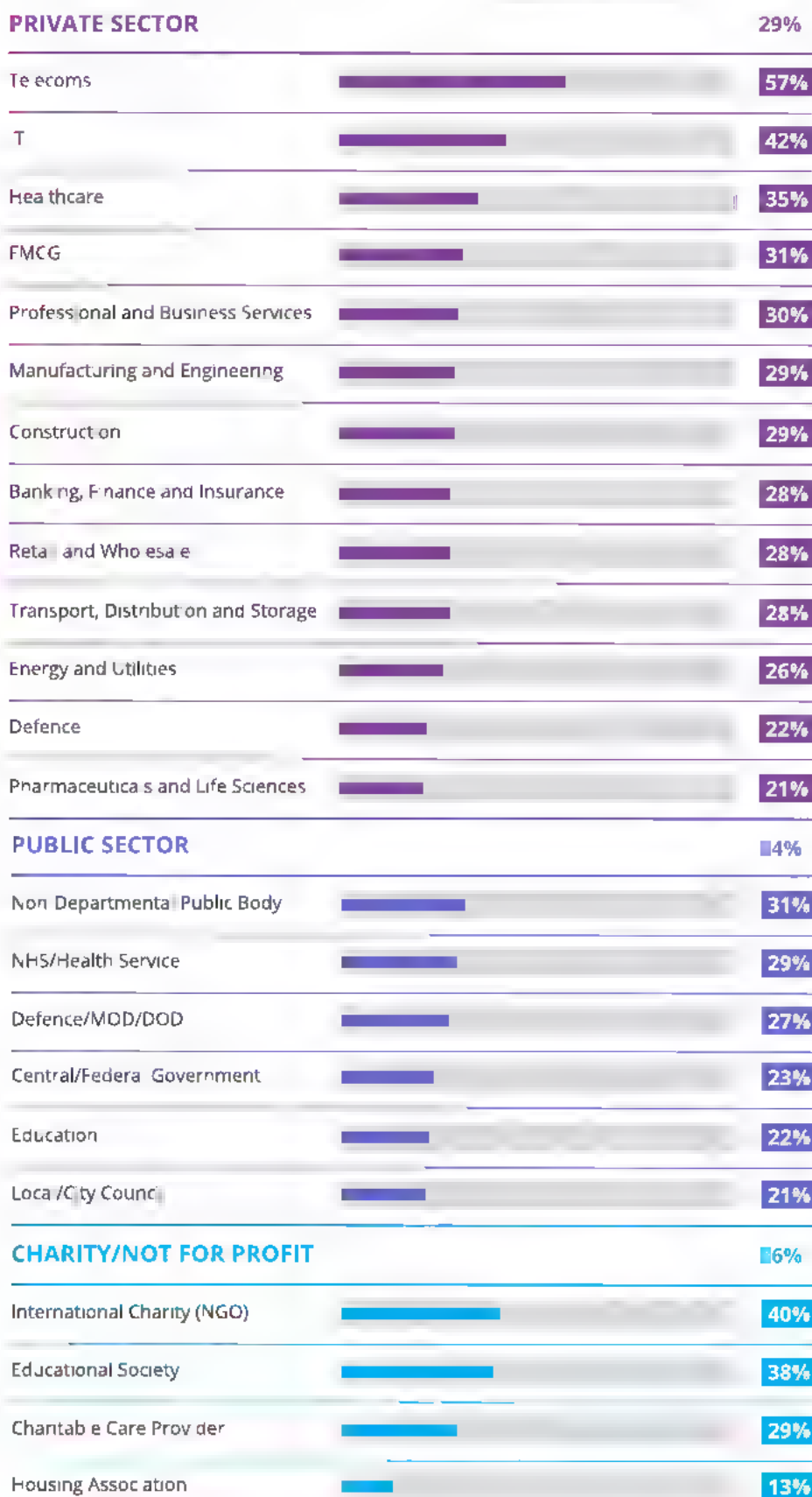
The proportion of professionals seeking a new role in the next six to twelve months is highest in the private sector and particularly the Telecoms and IT industries.

This said, the public and charity/not for profit sectors are not far behind, with 24% and 26% respectively looking to seek a new role in the next six to twelve months.

A prime motivation for seeking a new role is career advancement. 72% of procurement professionals are motivated to advance their career by seeking a more senior procurement role in the next two years.

This highlights the need to offer a supportive environment with clear progression paths to ensure retention of the best talent. If it's unclear to an employee how they would be promoted internally, they are likely to be drawn to external opportunities.

% LOOKING TO MOVE IN THE NEXT SIX TO TWELVE MONTHS
BY SECTOR AND INDUSTRY



Factors Driving Employee Movement

73%

believe that **salary** is the most important factor when considering a new job (average across all sectors)

Whilst salary remains the most important factor driving employee movement, we also see a need for reassurance about job security climbing up the list of priorities this year.


In fact, job security ranks higher than financially related incentives, such as bonuses and career progression opportunities, in a likely reflection of the current economic climate.

Besides the immediate concern for secure employment, procurement professionals looking for a new role are also thinking about how it will contribute to their longer term career development. Career progression opportunities and training and development rank highly as important factors when considering a new job.


This indicates that a strong and established training programme is instrumental in attracting and retaining the best talent. As the economy starts to open up and life slowly returns to normality, procurement professionals will be keen to ensure that their career plans are 'back on track'. Proactive discussions from procurement leaders about supporting their teams' career ambitions are likely to go a long way.

MOST IMPORTANT FACTOR WHEN CONSIDERING A NEW JOB BY SECTOR


PRIVATE SECTOR

 Salary **75%**

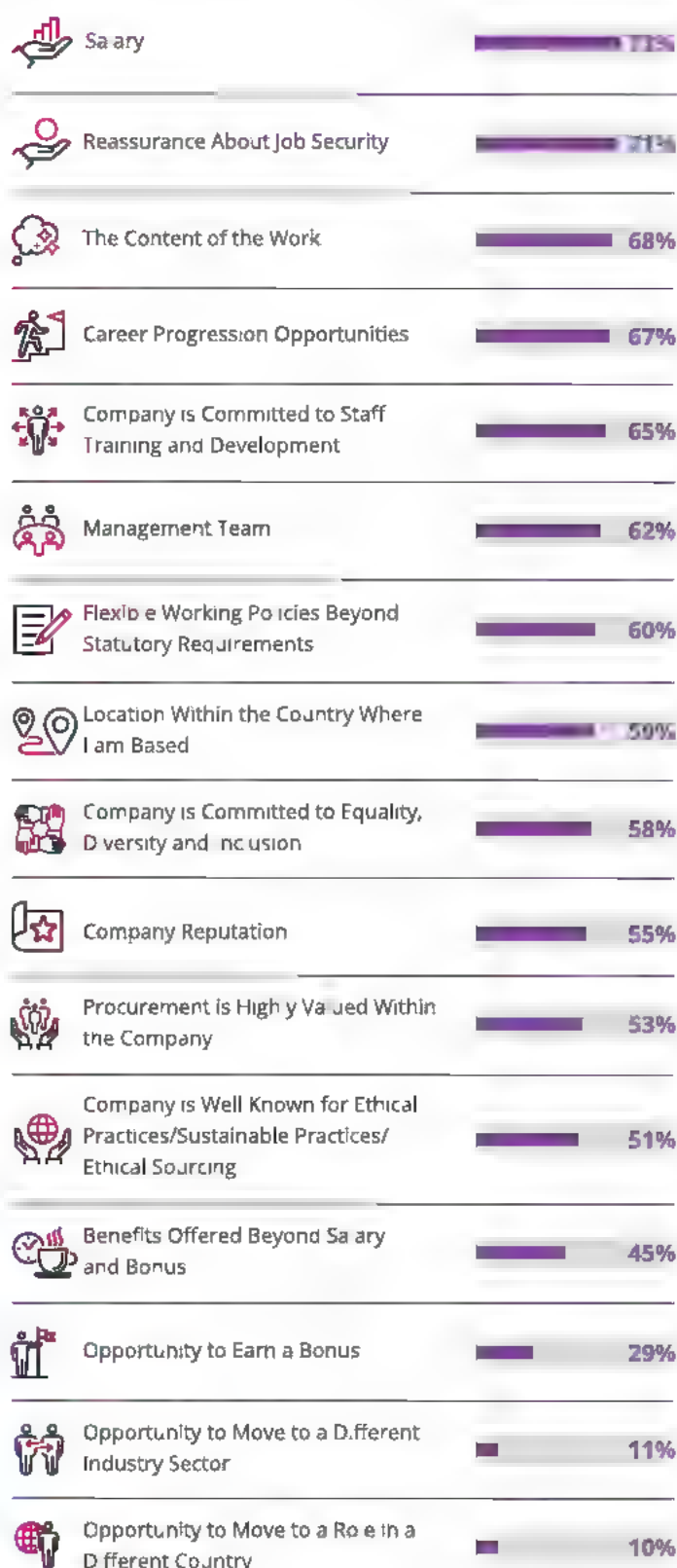
PUBLIC SECTOR

 Reassurance About Job Security **74%**

CHARITY/ NOT FOR PROFIT SECTOR

 The Content of the Work **74%**

MOST IMPORTANT FACTORS WHEN CONSIDERING A NEW JOB



Moving Job: Factors by Gender

74%

of women are likely to seek a more senior role within the next two years vs. 70% of men

While many are motivated by salary and job security when seeking a new role in procurement, for men, salary is the most important factor by some way. In contrast, women place a most equal importance on job security and salary.

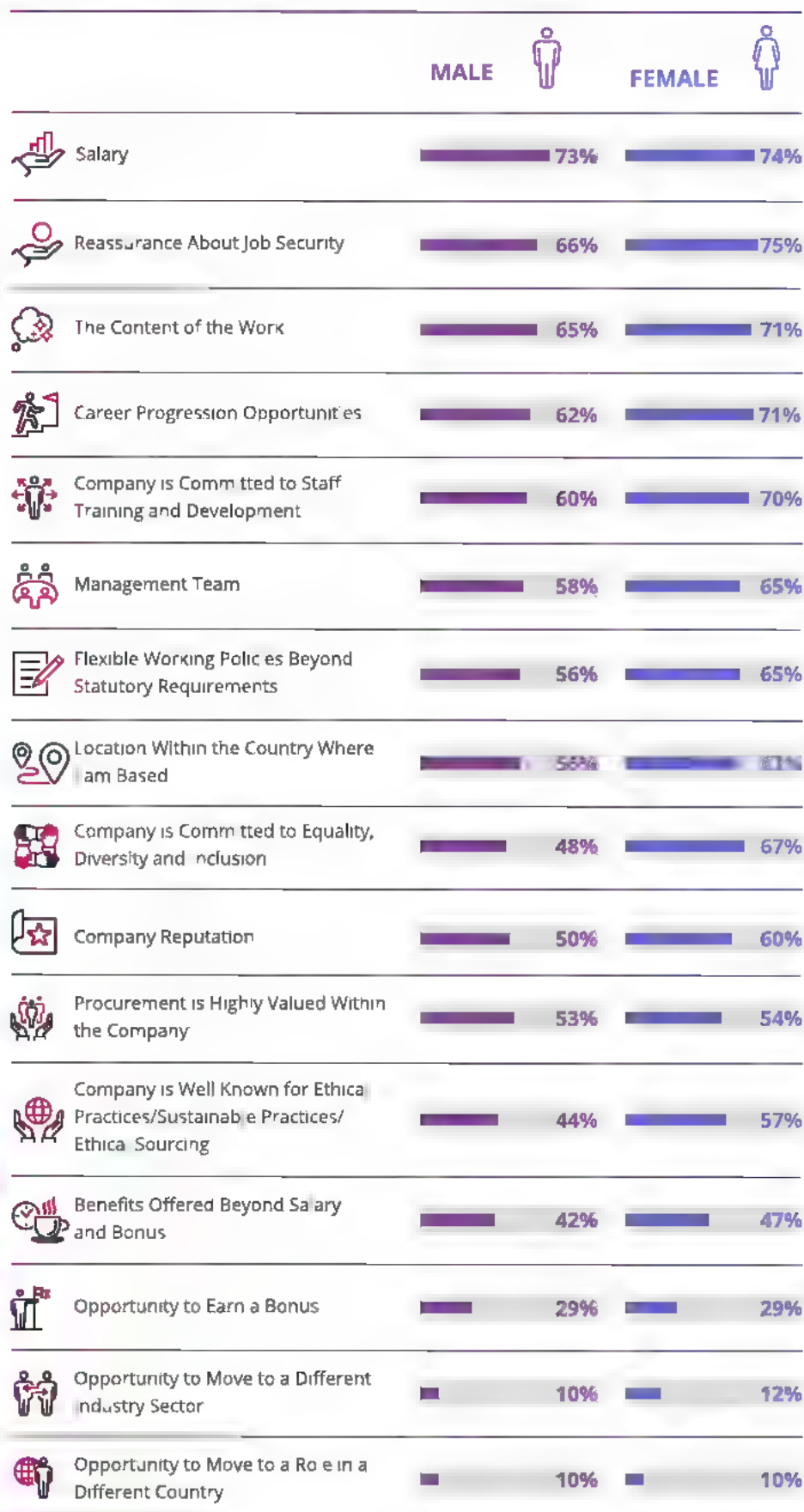
A higher proportion of women ascribe importance to ED&I credentials, and a proven commitment to staff training and development. Flexible working policies and location are also important to women, which suggests that the past year of remote working has been beneficial.



Our research shows that whilst salary holds the greatest weight for male professionals, for females job security ranks the highest in importance. Employers should tailor their candidate attraction strategies with individual differences in mind, but also need to remember that preferences can't be viewed in isolation – everyone is different and recognising this will improve both employee engagement and retention.

Scott Dance, Director
Days Procurement & Supply Chain

IMPORTANCE OF DIFFERENT JOB FACTORS BY GENDER



CIPS TIPS



Podcast: [Career Development Plan](#)



Podcast: [How to Develop Your Personal Brand](#)

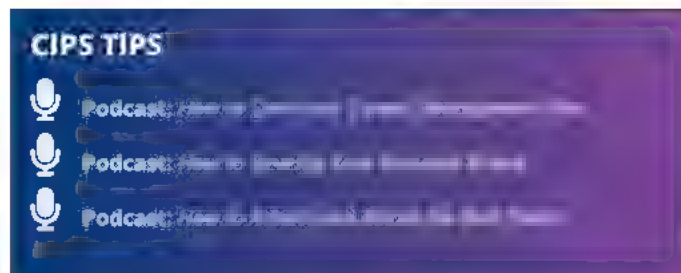


Webinar: [How to Develop Your Personal Brand](#)

Moving Job: Factors by Age

Career progression opportunities are most important to those aged under 35, with **82%** deeming them important

For those aged under 35, career progression opportunities are the key reason for moving jobs. Emphasising career progression opportunities in hiring discussions will be important to show younger professionals that the company will support their ambitions and provide them with opportunities to grow and develop. This age group also values reassurance around job security, whereas those aged 45+ (perhaps with more experience and workplace confidence) are less concerned about this.



Salary is also a lesser consideration for those aged 45+. Instead, they are more focused on the work itself and are keen to ensure that they move to a company with a good reputation, strong management team, and due respect for the procurement function. This is perhaps a reflection of their seniority – at a leadership level, the ability to demonstrate impact is likely more important than a slightly higher salary, for both job satisfaction and personal reputation.

It's important for hiring managers to be aware of these differing priorities by age group when talking to potential new hires – they'll be listening out for different highlights when considering whether the role is for them.

TOP FIVE IMPORTANT JOB FACTORS WHEN CONSIDERING MOVING BY AGE

UNDER 35

1		Career Progression Opportunities	82%
2		Salary	78%
3		Job Security	77%
4		Commitment to Training	71%
5		The Content of the Work	67%

35-44

1		Salary	73%
2		Job Security	69%
3		The Content of the Work	68%
4		Flexible Working	65%
5		Management Team	62%

45-54

1		The Content of the Work	69%
2		Company Reputation	66%
3		Location	66%
4		Management Team	66%
5		Salary	65%

55+

1		The Content of the Work	72%
2		Procurement is Highly Valued	66%
3		Management Team	63%
4		Flexible Working	60%
5		Location	60%

Moving Job: By Industry

76%

would look for a new role in the private sector

As in previous years, the private sector is the most desirable sector for both men and women looking for a new job. Manufacturing and Engineering and Defence/MOD are seen as particularly attractive industries, candidates are likely drawn by the higher average salaries and the high impact nature of the work. Despite the spotlight on the public sector throughout the pandemic and the greater prospect of job security, the higher average salaries in the private sector mean that it is still favoured by job hunters.

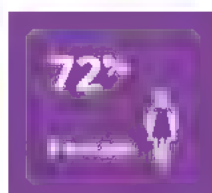
“

The desirability of roles in engineering and defence for both male and female procurement professionals looking to move is demonstrative of their potential for growth and innovation as industries. The private sector also retains its edge over the public and charity sectors in terms of popularity, with the competitive remuneration and career progression opportunities it provides no doubt playing a part.

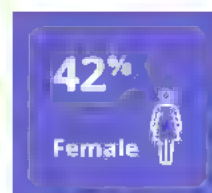
Scott Dance, Director
Days Procurement & Supply Chain

DESIRABILITY OF SECTORS BY GENDER

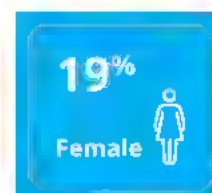
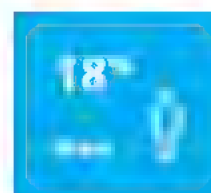
PRIVATE SECTOR



PUBLIC SECTOR

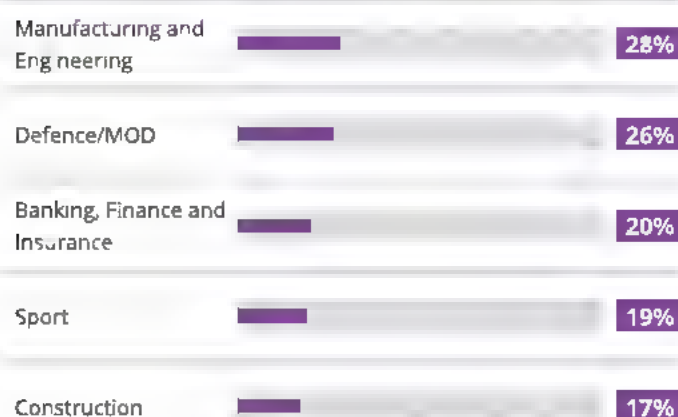


CHARITY/NOT FOR PROFIT

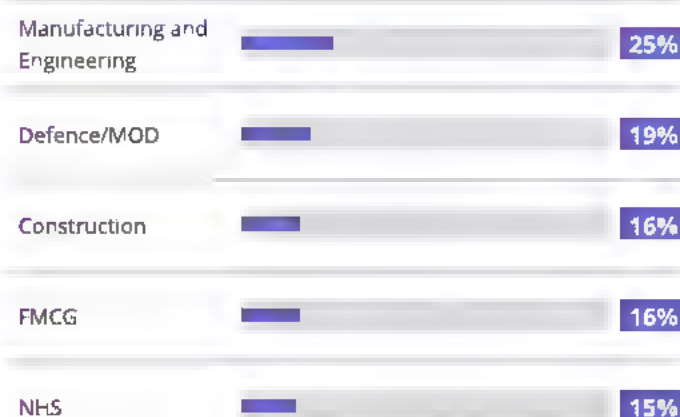


TOP FIVE DESIRABLE INDUSTRIES BY GENDER

MALE



FEMALE



Factors Affecting Employee Movement

41%

have had better work-life balance since the COVID-19 lockdown began

With the pandemic impacting every area of our lives, maintaining a good work-life balance is more important now than ever and is a key reason not to pursue a more senior role or look to switch jobs.

In order to attract and retain talent from diverse groups, it's important for organisations to consider their approach to flexible working, ensuring that it's in step with employee expectations and changing market norms.

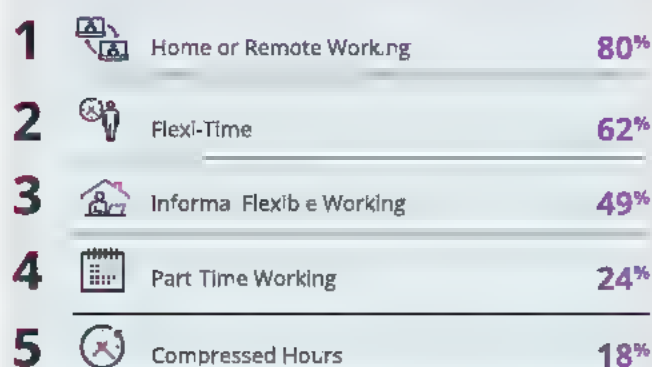
Given the close link to employee retention, it's likely that introducing a market-leading flexible working proposition will more than justify the effort and investment it requires.

Reflecting the somewhat more cautious mood this year, the promise of job security plays an important role in retention; however, it will be interesting to see whether this becomes less important as confidence in the job market strengthens with economic recovery.

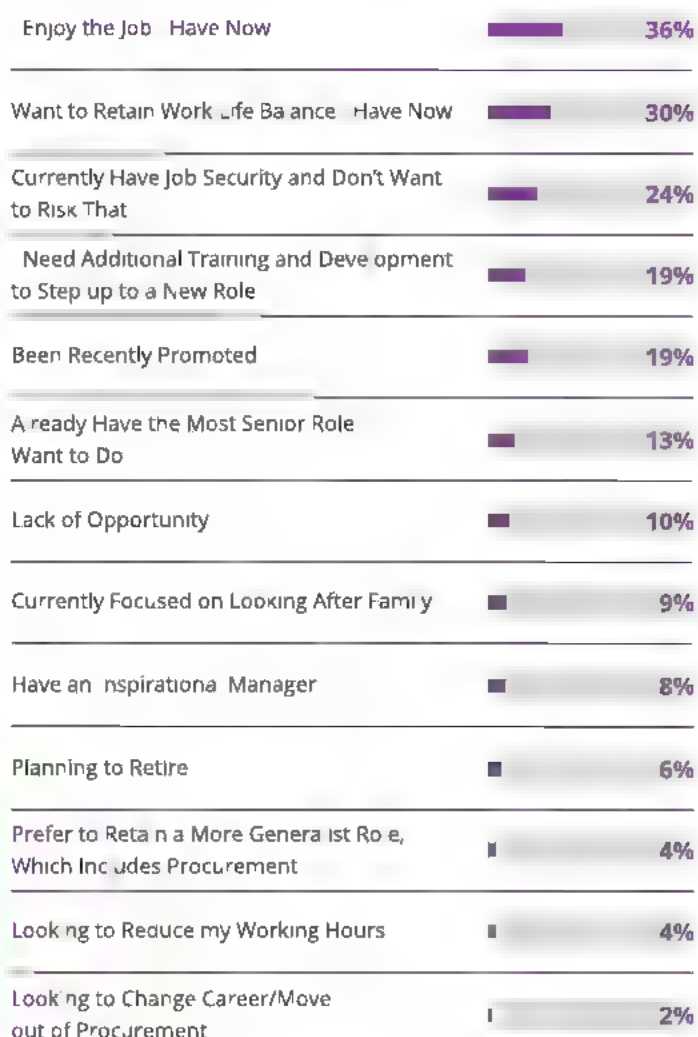
Whilst four in ten say that enjoying their job is a good enough reason to stay with their current employer, this means that for the majority, job satisfaction alone isn't a strong enough motivator to stay. Rather, a combination of compelling factors is likely to be necessary for retaining the best talent.

Given the sheer number of changes to our working habits over the past year, now is a great time to update historic working practices to make employees feel more valued and, ultimately, more loyal. A combination of flexible working arrangements, enjoyable work activities, and plenty of opportunities to develop and progress, will go a long way towards ensuring that the best talent is retained.

TOP FIVE FLEXIBLE WORKING ARRANGEMENTS OFFERED



REASONS TO STAY WITH CURRENT EMPLOYER



CIPS TIPS



Podcast:



Podcast:



Podcast:

4

Equality, Diversity & Inclusion (ED&I) in the Workplace

One of the many things that the pandemic and shift to greater remote working has highlighted for procurement is employees' varied needs and requirements. To operate effectively, organisations need to ensure that their workforce truly represents the communities they operate in and serve.

92%

believe a diverse and inclusive workplace culture ensures a more attractive place to work

When those from diverse backgrounds work together to create a service we all rely on, the outcome is much more likely to benefit everyone.

It's clear that procurement professionals celebrate the many benefits that ED&I brings to the internal talent pool, organisational culture and company reputation.

Having an ED&I strategy in place shows that the organisation is open, forward-thinking and actively puts people at the heart of its business model: the sort of business that talented individuals are proud to work for, regardless of gender, ethnicity or sexual orientation. This shows how important it

is to pursue an ED&I strategy, not for its own merits alone, but to attract and retain talented staff.

Whilst the majority of firms we surveyed were conscious to use unbiased language in job adverts, it is clear that there is still some way to go in terms of setting concrete and transparent targets to improve performance: only a minority of firms have set diversity recruitment targets or proactively report on the ethnicity pay gap. There is certainly appetite for leadership and guidance on identifying and embedding ED&I best practice within organisations, particularly in the private sector, where it is less well established.

“

The world has transformed over the past year, and consequently so must our approach to equality, diversity and inclusion (ED&I). The shift to remote working has provided organisations with the unique opportunity to demonstrate a great deal more flexibility with regards to location and working hours, and it will be crucial that they understand how—in the dimensions of their business—they can foster a culture that welcomes and supports a wealth of different personal circumstances.

The value, moreover, that professionals increasingly attribute to diverse and inclusive hiring practices must be recognised, particularly with regards to the positive impact they have on staff retention and

creativity and innovation. A commitment to using inclusive language and diverse imagery in recruitment materials, providing conscious inclusion training to key stakeholders and ensuring hiring panels are convened to take in a range of opinions, are examples of purposeful and positive action. Supporting key cultural and community events is an effective way to increase awareness and understanding of aspects of difference. Inviting and actioning employee feedback and sharing commitments and progress based on that feedback, will increase confidence and help embed sustainable change towards a culture of openness, respect and belonging. All these will help improve both retention and morale.

Yvonne Smyth, Group Head of
Equality, Diversity & Inclusion,
Hays

Diverse and Inclusive Hiring Practices

73%

say their organisation is committed to developing a diverse and inclusive team (across all sectors)

Although many procurement professionals notice that their organisation is placing a lot of importance on developing a diverse and inclusive team, there is still work to do for the other 27%. The public and charity/not for profit sectors are further along with the steps they've taken to create a diverse and inclusive work environment including the diverse hiring practices. The figures suggest that private sector organisations should be more proactive in their efforts to source diverse candidates; one in three do not currently have a strategy for actively seeking applications from under-represented groups.

ATTITUDES TOWARDS DIVERSE HIRING PRACTICES BY SECTOR

Proportion of respondents who agree that their organisation places a lot of importance on diverse and inclusive talent pools, by sector



Proportion of respondents who agree that their organisation is proactive in sourcing diverse candidates, by sector



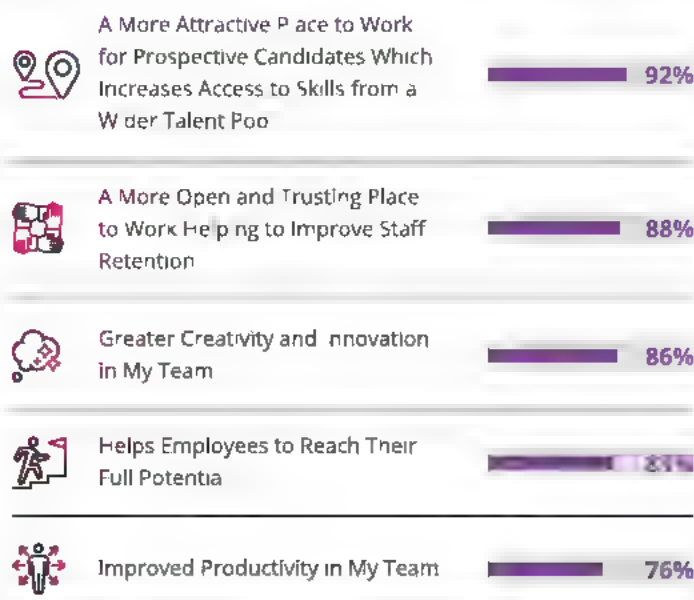
Reasons to Engage in Diverse and Inclusive Hiring Practices

88%

believe a commitment to diversity creates a more open, trusting workplace and improves staff retention

Whilst engaging diverse and inclusive hiring practices boosts applications from under-represented groups, all procurement professionals stand to benefit: it shows an organisational desire to improve and willingness to abandon unhelpful and out-dated practices – the hallmarks of a forward-thinking organisation that values its people. Those studying towards their MCIPS and ethnic minority professionals feel particularly positive about the ways in which diversity and inclusion policies support staff retention, creativity and innovation, personal development and productivity.

REASONS TO ENGAGE IN DIVERSE AND INCLUSIVE HIRING PRACTICES BREAKDOWN



Measures for Diverse and Inclusive Hiring Practices

61%

use unbiased language to describe vacancies, organisations and culture (across all sectors)

In light of the Black Lives Matter movement, ED&I has become more visible than ever, with organisations starting to commit to openness and transparency both in terms of their hiring practices and team culture. For the first time this year, we explored the role of equality, diversity and inclusion in the procurement profession.

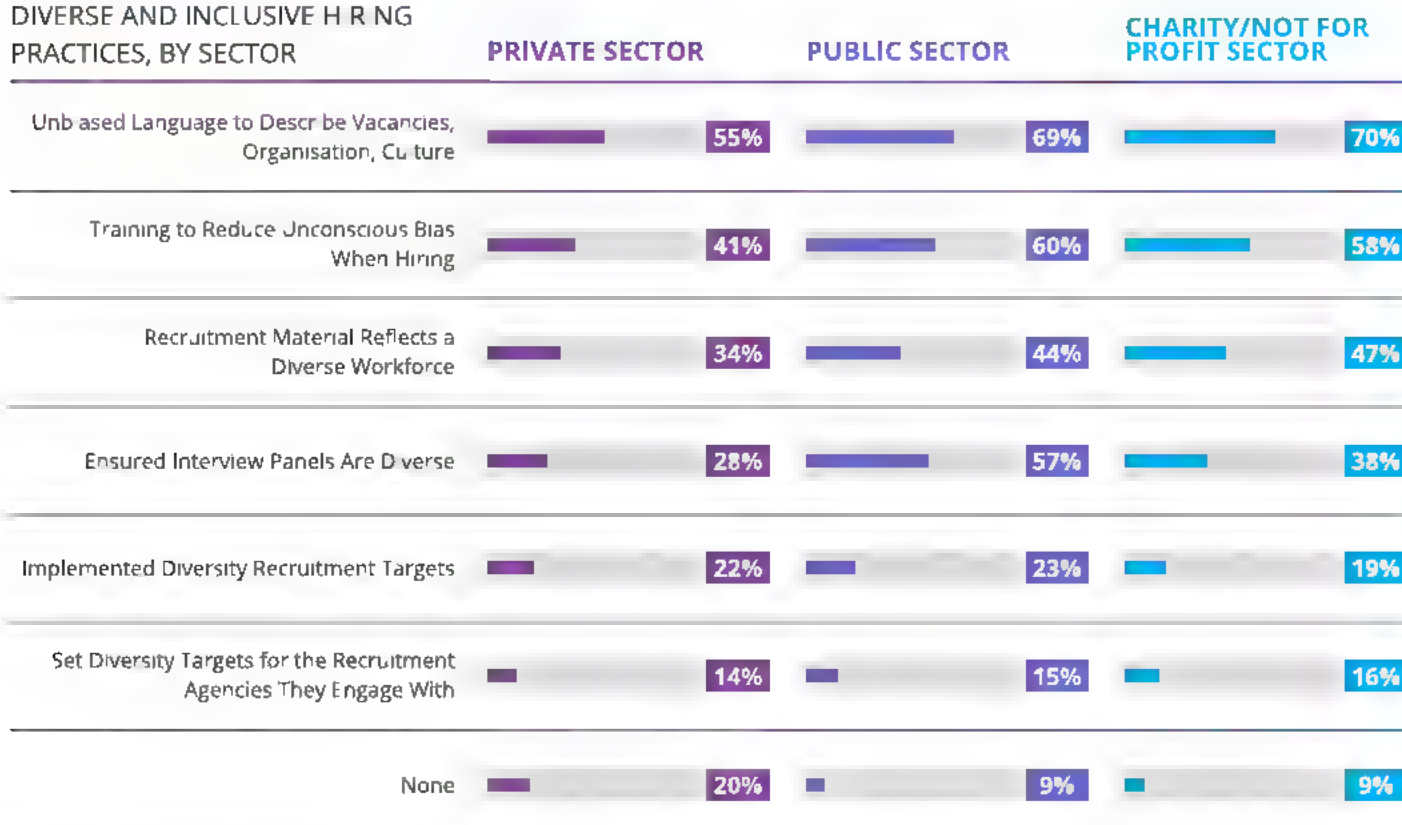
Organisations across all sectors and industries recognise the importance of using unbiased language to describe vacancies, organisations and cultures, and providing training for managers to reduce unconscious bias when hiring. The public and charity/not for profit sectors lead the way in terms of implementing concrete measures to ensure diverse and inclusive hiring practices. They are more likely to take steps to ensure that applicants from a range of backgrounds feel represented and reflected in the hiring process, with diverse interview panels and images of a diverse workforce in recruitment materials.

Although there is still some way to go, around one in five organisations have implemented diversity recruitment targets, showing a willingness to be held accountable for their efforts in improving diversity and inclusion. One in seven set diversity targets for their recruitment agencies, indicating that a growing number of businesses are building partnerships that support their commitment to diversity and inclusion.

CIPS TIPS

-  **Guidance:** *CIPS ED&I Hub*
-  **Guidance:** *Hays ED&I Report*
-  **Podcast:** *Best in Procurement Winners Clifford Chance*
-  **Guidance:** *Diversity Data Report*

MEASURES TAKEN TO ENSURE DIVERSE AND INCLUSIVE HIRING PRACTICES, BY SECTOR



5

Interims

Despite the pressure to streamline all business functions and make cost efficiencies, it's clear that organisations across all sectors have leant on the expertise of interim procurement professionals to help navigate the fluctuating operating landscape.

£453

average
interim day
rate

As in previous years, interim workers have provided a short-term solution to the 'skills gap', compensating for the shortage of skills that are most sought-after by hiring managers. There has also been a need to source experts in specific areas of procurement: notably, change and transformation experts. However, there is also a role for generalist interims to provide additional resource to stretched teams.

Over the last 12 months, contractors and organisations who employ them have

benefitted from additional time to plan for the IR35 changes that were implemented in April 2021, and which affect those contractors operating via a Personal Services Company (PSC). However, around one quarter of procurement interims are unsure as to whether they will be positively or negatively impacted, which suggests that there is a need for additional clarity and advice to help navigate the reforms.

Overall, the market for interims has coped well in a year of uncertainty. Perhaps as procurement professionals have been reluctant to consider new roles and hiring decisions have stalled, interim workers have been critical in helping stretched procurement departments to manage with increasing demands. It will be interesting to observe how (and whether) the role of interims evolves over the next year, as confidence in making permanent hires grows and the full effects of IR35 reforms come into force.

“

In a time of continued uncertainty, the interim market has remained buoyant and stable. Initial nervousness around permanent hiring at the onset of the pandemic made interims an attractive prospect for employers, particularly those looking to implement change and transformation projects or mitigate the impact of skills shortages amid increased workloads.

Scott Dance, Director
Days Procurement & Supply Chain

Interims by Role

10+ YEARS
the typical number of years' experience of interim workers in procurement

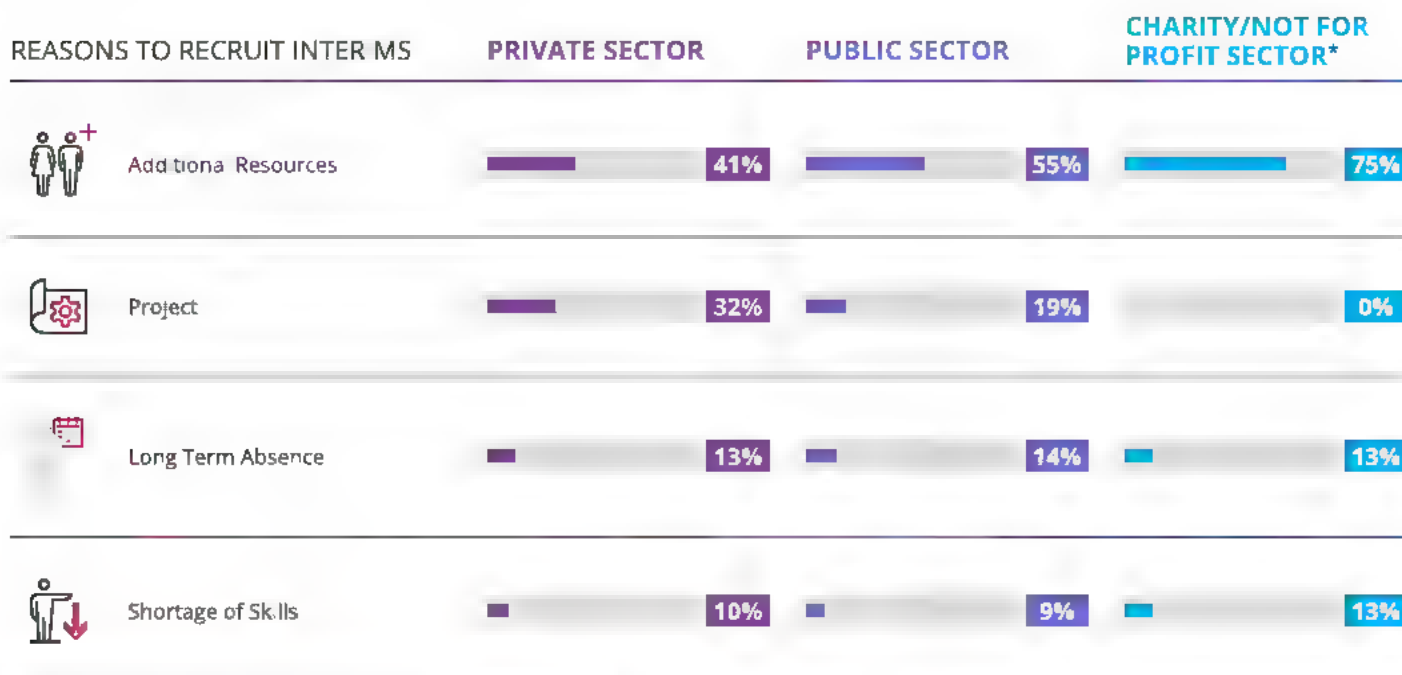
As we've highlighted throughout this report, the procurement function has been in the spotlight over the past year, and with that comes a need for greater resource.

With many organisations facing change and transformation over the coming months, interim and contract workers are relied upon to bring expertise and a specialist outlook.

The majority of interims are brought in at an Advanced Professional level: delivering a more senior and expert perspective to help cope with the increased volume of work and provide support on specific projects.

As with last year, a shortage of skills is another key reason to recruit interims, across all sectors.

We've seen that hiring managers often struggle to find permanent hires with the right blend of skills. Interim workers continue to provide a short-term solution to the 'skills gap'.



*Low Base



Senior procurement Interims have been critical to organisations looking to harness business efficiencies through transformation projects. In many cases, the agility needed from organisations to meet the additional demands created by the pandemic meant that plans for these projects were accelerated, putting pressure on employers to find the right skills

to deliver change quickly. Whilst day rates typically tend to be higher in the private sector, this year we have seen average public sector day rates overtake them, demonstrating both how critical procurement interims have been to public sector organisations, and the public sector's increasingly competitive stance against the private sector in terms of talent attraction.

Scott Dance, Director
Days Procurement & Supply Chain

Interims: Duration and Project Type

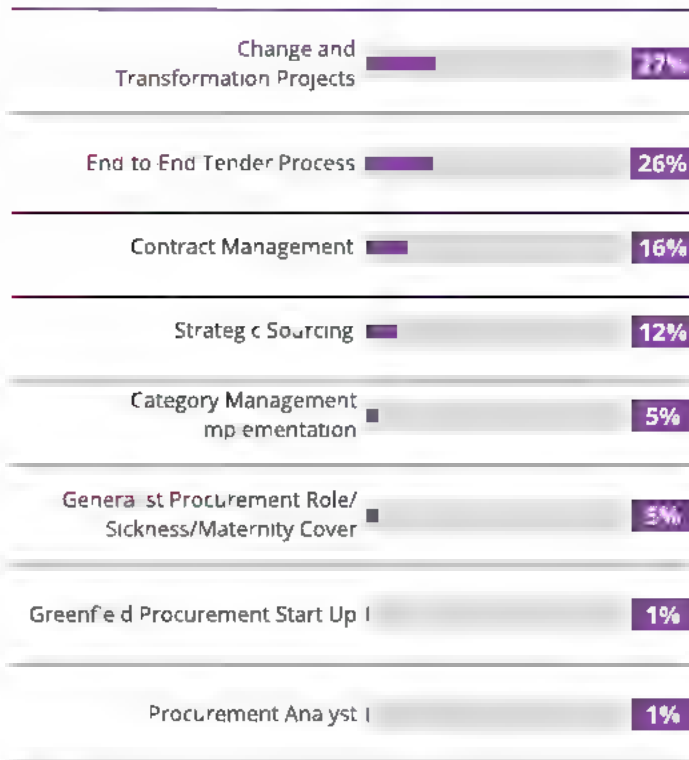
27%

of interim roles involve change and transformation projects

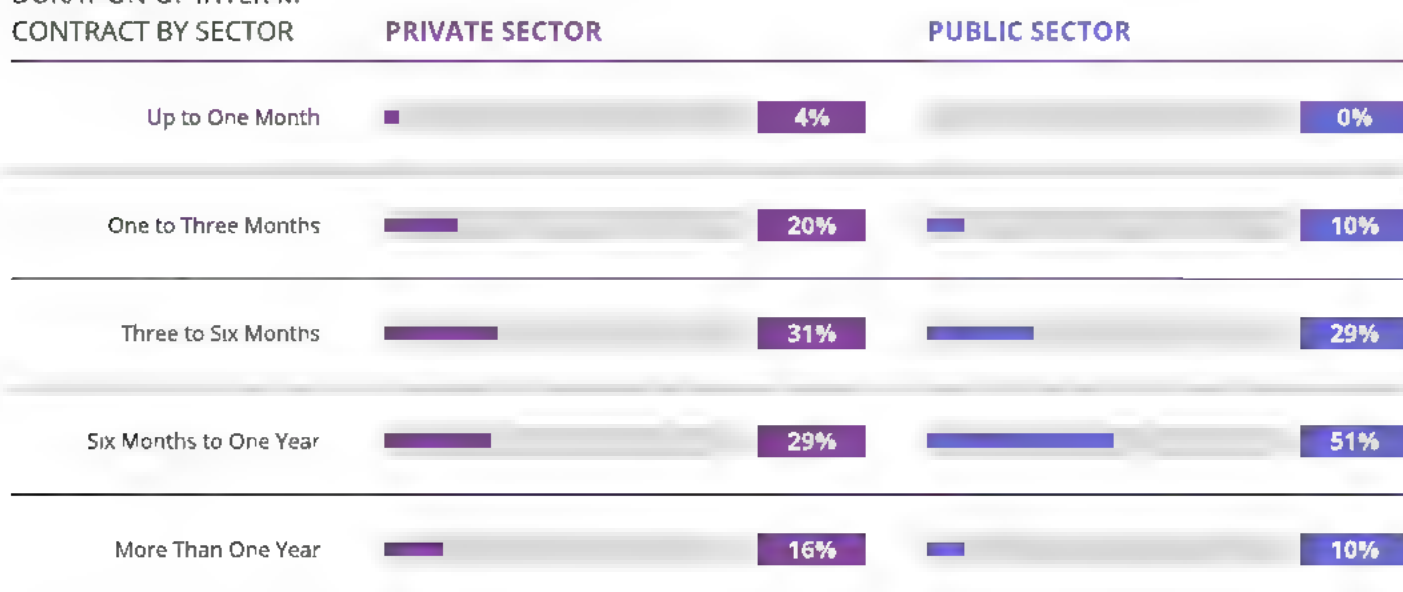
With organisations undergoing a period of change in response to the pandemic, interim workers are being recruited to help with change and transformation projects. They're also supporting on end-to-end tender processes, coming at a time when procurement functions need greater support as resources are stretched and there is an ever increasing need to ensure suppliers deliver value for money at a holistic level.

As was the case last year, we see contract management emerging as an important role for interim professionals to take on. In a year where supplier relationship management is seen as a key skill across the profession, managing contracts to obtain the best value and ensure the right relationships and working practices are in place is crucial.

INTERIM PROJECT TYPE



DURATION OF INTERIM CONTRACT BY SECTOR



*Charity/Not for Profit is not shown due to low base

Interims: Where and Why

26%

are drawn to interim work by the prospect of varied experiences

56%

would undertake multiple interim roles at a time

As in 2020, the most commonly-cited reason for becoming an interim is the attraction of being exposed to a variety of work and gaining diverse professional experience.

By working on different projects across a variety of organisations, interims are exposed to a wide range of experiences, and a wealth of opportunities to develop their skillset. Redundancy is another key reason to seek interim work – and with the pandemic leading to many finding themselves made redundant, we could see an increase in interim work over the coming months.

London and the South East continue to employ the most interim workers, but with 60% saying they want to work locally, we could see a change in the regional picture as remote working becomes more engrained.

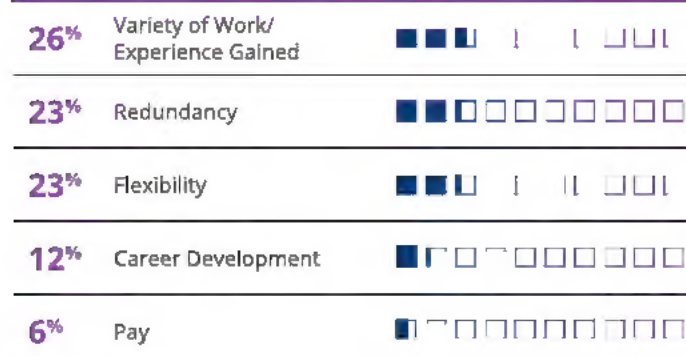
Remote working also makes it easier to take on more than one interim role simultaneously, as workers are now able

to build relationships with geographically distant companies. This prospect would be welcomed by the 56% who are open to taking on more than one interim role at a time.

Following reforms to IR35 legislation in the private sector in April 2021, there is still considerable uncertainty over their impact on interim workers operating in this sector. Whilst 36% are concerned it will have a negative impact, 24% are still unsure of what impact it will cause.

This is a similar picture to last year's research, suggesting that another year has not brought additional clarity to the reforms' impact on contracts and relationships. Nevertheless, 39% do not believe that the IR35 changes will impact their role, which suggests that some work has been done to help navigate this reformed legislation.

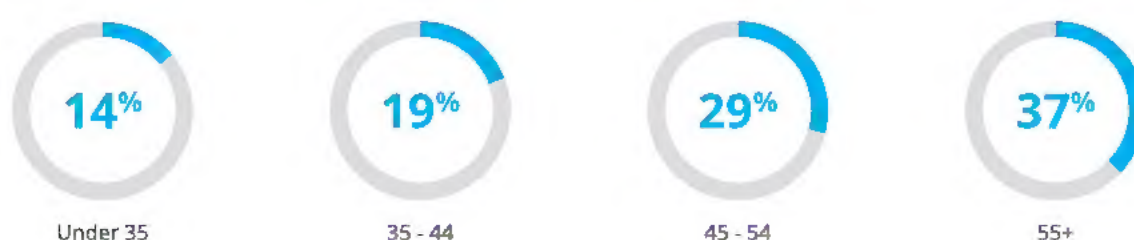
TOP FIVE REASONS TO BECOME AN INTERIM



INTERIMS BY LOCATION



INTERIMS BY AGE



Interim Day Rates

£453

average day rate for interims
(across all sectors)

This year we see an increase in the gender pay gap among interims, with a 35% disparity between the day rates commanded by men and women.

However, the difference in pay this year can be attributed to the relative seniority of those participating in the survey; this year, the higher-paying, more senior interim roles were largely occupied by men – 65% of Advanced Professionals and 56% of Professionals responding to the survey were males.

Given the critical importance of adaptability in what has been a turbulent year, it is perhaps unsurprising that interims employed on change and transformation projects have been able to command the highest day rate.

These sought-after individuals are likely to have been employed for their specialist expertise in change management; whilst those who have been involved in more generalist work, such as providing sickness cover, have secured a lower day rate on average.

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Procurement employers looking to leverage the skills of interim workers must be sure to account for the recently implemented reforms to IR35 legislation in the private sector, which shifted the responsibility of determining the tax status of a Personal Services Company (PSC) worker from the individual to the engager. These were originally set to be enforced in April 2020, but were delayed until April 2021 due to the COVID-19 pandemic. The full extent of the challenges they may pose to the interim hiring market remain to be fully seen, but for employers, formulating a clear strategy for determining the tax status of their existing PSC workers will be key to continuing to engage with the talent they need.

Scott Dance, Director
Hays Procurement & Supply Chain

INTERIM AVERAGE DAY RATE BY GENDER



INTERIM AVERAGE DAY RATE BY SECTOR



INTERIM AVERAGE DAY RATE BY PROJECT

Change and Transformation Projects	£539
Category Management Implementation	£503
Strategic Sourcing	£459
End-to-End Tender Process	£431
Generalist Procurement Role/Sickness/Maternity Cover	£427
Contract Management	£363

Hiring for the New Era of Work



There can be no doubt that this year has been a turbulent one, but procurement has shown itself to be both resilient and adaptable as a function, helping organisations mitigate disruption to supply chains, maintain business continuity and most importantly, support the communities they serve.

Amidst the ongoing uncertainty, a demand for procurement talent remains, and there are still significant skills shortages in many areas. Whilst learnt technical skills remain crucial, the unique challenges of the pandemic have shifted the spotlight heavily to soft skills this year. Supplier relationship management and communication have emerged as critical to maintaining proactive relationships with key stakeholders and thus building strategically sound procurement solutions.

With procurement professionals having demonstrated their integral role in keeping organisations moving and turning supply chain disruption and complexity into significant change, the strategic value they add is now increasingly being recognised by senior leaders. As we've seen, the proportion of Directors and Heads of other departments who understand what procurement specialists can offer increased significantly on last year.

With the value of procurement now more widely recognised than ever, hiring plans are expected to remain strong. Activity levels

– in the private sector in particular – are making a strong recovery, and consequently it will be vital for employers to formulate a competitive candidate attraction strategy that reflects employees' changed priorities as we emerge into a more flexible, 'hybrid' working world. Organisations must take steps to identify where their skills shortages lie and tailor their hiring strategy accordingly if they are to successfully navigate the ongoing challenges of the months ahead.

Though there has been some caution with regards to employee movement this year, professionals are still showing an openness to moving for the right opportunity. Salary remains the most important factor to those looking for a new role, with job security following closely behind – a reflection of the wider economic disruption that has resulted from the pandemic. Other factors that emerged as important include the content of the work and career progression opportunities, which employers looking to hire should take care to showcase as part of their employee value proposition.

It is also clear that the pandemic has perhaps effected a fundamental shift in priorities for professionals in terms of benefits. With flexible working likely a trend that's here to stay, organisations must consider how they can harness the potential of these new working practices not just to attract potential candidates, but also protect the wellbeing of their existing workforce. Providing increased flexibility around working practices not only opens up roles to a more diverse group of applicants, but can also help organisations create a more inclusive culture where employees feel supported, seen and heard.

Carefully re-evaluating employee priorities in the face of continuously changing circumstances will help employers both attract and retain talent in the coming months. This will be crucial if organisations are not only to navigate the operational challenges of the months ahead, but build resilience for the future.

Scott Dance
Director, Hays Procurement & Supply Chain

Conclusion



It has been such a turbulent year for the world's supply chains; with disruptions and lockdowns near and far, procurement and supply chain managers have had to step up to the plate.

Reacting to constant change, adapting sourcing strategies to manage risk effectively, and establishing dynamic ways of working to build resilience are just a few trends that I have noted during my first year as Chair of the CIPS Global Board of Trustees.

The value of procurement and supply management to all kinds of businesses and organisations has never been clearer than during the pandemic, as supply lines have been cut and diverted and new operations created by some. Only the strongest has survived with skilled procurement and supply managers steering Boards and CEOs through the worst of the impacts.

The challenges businesses have faced has caused them to focus hard on seeking out the right talent for their organisation while developing, retaining and growing individuals who have a collaborative mindset and strong business acumen to engage suppliers and retain surety of supply. The need for technical procurement skills remains essential but the development and leverage of soft skills is also very important to unlocking collaborative opportunities and creating even better results. There were many good examples last year where competitors shared logistics opportunities and supermarkets paid suppliers early so that supply remained strong and constant – all led by creative supply chain managers with the right combination of skills and knowledge.

This year's survey continues to demonstrate the value of formalising and enhancing these skills, supported by professional qualifications. It is also evident that MCIPS remains the gold standard for employers across a global competitive marketplace when looking for individuals who will make a positive impact on their business and demonstrate a level of achievement and skill for the modern world.

Skills in Demand

As we reflect on the lessons of the pandemic and look to the future, what now for procurement and supply professionals in 2021 and beyond? I would say continue to develop professionally through CPD programmes whilst paying particular focus on soft skills. Effective communication in an ever more digitalised world is increasingly important, particularly when working with suppliers and negotiating or managing teams remotely. In addition to continued professional development, I would urge all procurement and supply professionals to remain committed to ethical procurement strategies and, in particular, help raise awareness of modern slavery in supply chains. Whether looking through a personal or organisational lens, this is what strong, sustainable procurement practices will be founded on right now.

Next-generation Talent

A strong commitment to equality, diversity, and inclusion is something I am very passionate about and incredibly important to the development of strong, resilient supply chains. We all need to be as inclusive as possible and listen to the full range of different voices, views and ideas and capture the very best in innovative thinking. Driving transparency in supply chains and working to close the gender pay gap, which remains painfully evident, should be key focus areas in our drive to become fit for the present and the future.

Summary

We have so much to be proud of in our profession. I have witnessed the achievements of many unsung heroes over the last year working in the food sector, in retail, in healthcare, and more. I hope this spirit of striving to tackle challenges head-on, and building resilience in business continues, where continued professional development remains at the forefront of employers' and individual's minds, as the engine to achieve all this. We must all be self-aware, accountable and take action to drive positive change to ensure we are ready for future disruptions when they emerge, as I am sure they will.

A handwritten signature in black ink that reads "P. Thorogood".

Paul Thorogood MBE
Chair of CIPS Global Board
of Trustees